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TODAY: MONEY Business/Finance Page 15

The Rabbi's Gift: A Wall Street Parable

Buffett, the Agnostic Investor, Helped Make His Friend a Generous Millionaire

By N.R. Kleinfield
New York Times Service

NEW YORK — One man speaks to God. The other speaks to the stock market.

The rabbi knows precious little about business and is fine with that. The investor, an avowed agnostic, bought his first stock when he was 11 and his acumen for making money seems divine.

They came to know each other oh, so many years ago in Omaha, Nebraska, through their wives and through Rotary Club meetings. Theirs is an uncommon story of riches and extraordinary magnanimity, of money made and given away and, ultimately, of a New York seminary tower, in shambles for 30 years, about to be resurrected.

Pretty much everyone knows the gilded story of Warren Buffett, the investor from Omaha with the otherworldly nose for stocks. But how many know the interlocking tale of Rabbi Myer Kripke and Warren Buffett?

Best to first meet the rabbi and appreciate the road he took. He was born in Toledo, Ohio, in 1914, one of seven children. His father was in the business of buying and selling containers — bottles, barrels — and the Kripkes had a middle-class life style.

Myer Kripke came to New York in 1930 to study at New York University and the Jewish Theological Seminary at Broadway and 122d Street. He discovered both higher learning and romance. In a class on Jewish religion at the seminary, he met a student from Brooklyn named Dorothy Karp. They were married at the seminary in 1937, a week after he was ordained.

Rabbi Kripke accepted jobs at synagogues in Racine, Wisconsin; Patchogue, New York, and New London, Connecticut, before learning in 1946 of an opening at the Beth El Synagogue in Omaha. It was a good salary — $7,500 — and he took it.

As he tended to his religious duties, his wife wrote children's books that elucidated Jewish beliefs. One of them was called "Let's Talk About God." Mr. Buffett's wife, Susie, very much enjoyed it. She learned that the author lived in Omaha, two blocks

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Eric Feferberg/Agence France-Presse

Soldiers looking on Friday as 200 people rallied in support of Marshal Mobutu at the U.S. Embassy.

Mobutu: Playing the Waiting Game

South Africa Mediator Tries to Set Up Meeting of Warring Sides

By Raymond Bonner
New York Times Service

KINSHASA, Zaire — After another day in which he kept Zairians and Western governments in suspense about his intentions, President Mobutu Sese Seko failed to return home Friday, contrary to earlier assurances from his government and aides that he would.

His decision to remain in Gabon, after two days of talks with French-speaking African leaders, reignited speculation that the Zairian leader would abandon political life.

"This increases the chances that he won't come back," a Western diplomat said about the development Friday. But during his three decades in power, Marshal Mobutu has often surprised his opponents, and Western officials were careful not to make any definitive pronouncements.

Marshal Mobutu and his aides had said that he would return Friday, and at one point in the afternoon, the police began securing the route to the airport, and presidential aides went to await their leader. But his plane never left Gabon.

On the diplomatic front, South Africa's foreign minister, Thabo Mbeki, met with Laurent Kabila in Lubumbashi on Friday as part of a continuing effort to arrange face to face negotiations between the rebel leader and Marshal Mobutu.

Mr. Kabila has agreed to the meeting, which is supposed to take place next week on a South African ship off the coast of Zaire, and Mr. Mbeki was reportedly en route to Gabon to help persuade Marshal Mobutu to attend.

A similar meeting last week between Marshal Mobutu and Mr. Kabila, which was brokered by the United States and South Africa, failed to produce any tangible progress toward a peaceful resolution of the civil war.

A Western diplomat, who is close to the negotiations, said that he thought Marshal Mobutu, who is suffering from advanced prostrate cancer, was close to a decision to go into permanent exile.

This is what the Clinton administration would like to see, and Western officials said they believed that France, which has been Marshal Mobutu's most

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Hong Kong Rejects Tying U.S. Trade To Rights

Linking China's Status To Liberties Could Backfire, Patten Says

By Paul Blustein
and John E. Yang
Washington Post Service

WASHINGTON — The British governor of Hong Kong has warned Republicans in the U.S. Congress that their proposals to use trade privileges as leverage to protect human rights in the territory after it reverts to Chinese rule would threaten Hong Kong's economic livelihood.

Lawmakers said that warning, and similar entreaties from Hong Kong business leaders, had pushed Republican leaders in the House to re-evaluate their plans.

In letters this week to the speaker of the House, Newt Gingrich, and at least one other Republican lawmaker, Governor Chris Patten hailed as "extremely welcome" support for the preservation of civil liberties in Hong Kong after it is handed over to China on July 1.

But Mr. Patten strenuously objected to the proposals, backed by Mr. Gingrich, to renew China's trading privileges for less than a full year to maintain pressure on Beijing over human rights.

Such proposals "would jeopardize rather than reinforce Hong Kong's way of life," Mr. Patten wrote, because uncertainty over U.S.-China trade would inflict a serious blow on the economy of Hong Kong, a major gateway for China's global commerce.

Mr. Patten has frequently infuriated Beijing with his outspoken demands for democracy in Hong Kong.

"For the people of Hong Kong there is

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Threat of Intervention Sends Dollar Plunging

By Mitchell Martin
International Herald Tribune

NEW YORK — The dollar dropped against the yen Friday as traders began to worry about central-bank intervention to limit the strength of the U.S. currency.

The currency was reacting to comments by Japanese officials, who suggested the yen had room to rise and that the Bank of Japan might be willing to sell dollars to push it in that direction.

Eisuke Sakakibara, the head of the Japanese Finance Ministry's international finance bureau who is known as "Mr. Yen," suggested Thursday that the dollar could fall as low as 103 yen from its current level of 120.20 yen, down from 123.75 yen Thursday.

On Friday, Japan's finance minister, Hiroshi Mitsuzuka, said Japan could step in if fluctuations in the dollar-yen rate became too extreme. He also suggested that central banks of other countries in the Group of Seven might engage in concerted intervention to bring down the dollar. The dollar reached a four-year high of 127.50 yen on May 1.

The dollar also was affected by comments from Alan Greenspan, chairman of the Federal Reserve Board, that indicated to some traders that the U.S. central bank might be backing away from perceived plans to raise interest rates May 20. (Page 9)

Many analysts who follow the Fed also drew the opposite conclusion, saying Mr. Greenspan's statements in New York late Thursday meant the expected quarter-point rise in short-term interest rates would be endorsed at the upcoming policy meeting.

The dollar also weakened against other currencies, but not as sharply as against the yen. It fell to 1.6875 Deutsche marks from 1.7083 on Thursday.

Kevin Flanagan, an economist with Dean Witter Reynolds Inc., said the text of Mr. Greenspan's speech "was construed overnight by investors as meaning that the Fed was not ready to pull the trigger regarding interest rates at the May meeting."

Additionally, he said, there were "stories coming out of Japan that officials were trying to jawbone down the dollar" and a report that the Bank of Japan could raise its official discount rate.

David Hensley, an economist at Salomon Brothers Inc., said he disagreed with the idea that Mr. Greenspan was pulling back from supporting an interest-rate increase. Since late last year, the Fed chairman has been relatively blunt in warning financial markets that the central bank would act to contain inflation even before actual signs of rising prices appeared.

Mr. Greenspan's address in New York was "very similar to the tone he adopted" in his semiannual testimony to Congress early this year, Mr. Hensley said. After that, Mr. Hensley noted, the Fed did raise its target for the federal funds rate, by a quarter point, to 5.50 percent. Under Mr. Greenspan, the central bank has a history of moving its target for the rate, which is what com-

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The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.6875	1.7083
Pound	1.6226	1.62
Yen	120.20	123.75
FF	5.691	5.763

The Dow		
	Friday close	previous close
+32.91	7169.53	7136.62

S&P 500		
change	Friday @ 4 P.M.	previous close
+4.92	824.83	819.91

Hear! Hear! Democracy's Coming to the EMU!

By Alan Friedman
International Herald Tribune

PARIS — Europe's drive to launch a single currency, critics often say, has been orchestrated by political leaders in a top-down, even undemocratic way.

But now, electoral politics in France and Italy, and the approach of elections in Germany next year, are finally bringing the debate on monetary union to the streets and voting booths of Europe.

The public is being asked to pass judgment on whether more spending cuts are needed, especially cuts that over the next few months are likely to take the form of politically charged welfare-reform measures. Politicians, in turn, are being forced to explain why Europe's coveted social safety net is in danger of fraying as programs are cut back to meet spending goals.

The result, at least out on the hustings, is the most open political discussion of societal sacrifice in the name of Maastricht since the treaty on European economic integration was signed more than five years ago.

Politicians are finding that this is not an easy proposition:

NEWS ANALYSIS

- In Italy, Prime Minister Romano Prodi found himself under fire this week during a televised town meeting as ordinary citizens demanded to know why they should be asked to accept cuts in social security. A trade union leader, Sergio Cofferati, has flatly told the government that he will not accept any new pension cutbacks in the name of Maastricht.
- In France, the legislative elections beginning May 25 are a sort of de facto referendum on the single currency. Jacques Delors, the French Socialist and a former president of the European Commission, was hit in the face last week by a cream pie thrown by anti-Maastricht protesters. Anti-Maastricht politicians, on the far right and the far left, meanwhile, are campaigning vigorously against further sacrifice.
- Even in Britain, where the election is over and Prime Minister Tony Blair has signaled a more cooperative stance on Europe, the contest for leadership of the defeated Conservative Party is a match between politicians for and against participation in the single

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AGENDA

Ferreri Dies, Directed 'La Grande Bouffe'

PARIS (AP) — The Italian film director Marco Ferreri died Friday of a heart attack at a hospital in Paris, the Italian Embassy said. He would have been 69 Sunday.

Among Mr. Ferreri's films were: "Dillinger Is Dead" (1969), "La Grande Bouffe" (1973), "La Derniere Femme" (1976) and "I Love You" (1986). His first English-speaking movie was "Bye Bye Monkey" (1978).

"With the death of Marco Ferreri, Italian cinema has lost one of its most original artists, one of the most personal auteurs," said Gilles Jacob, director of the Cannes Film Festival. "The Cannes Festival, which presented eight of his films and awarded him three times, will not forget him."

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The IHT on-line http://www.iht.com

Awaiting the Pope

The Maronite Catholics of Lebanon are awaiting a visit by Pope John Paul II that they hope will assuage some of the bitterness they feel about their decline in status since the end of the nation's civil war in 1990. Page 5.

Spain's Attorney General Is Dismissed

MADRID (Reuters) — The cabinet dismissed Attorney General Juan Ortiz Urculo on Friday after a prolonged political crisis in the prosecutor's office of the High Court threatened to bog down Spain's judicial system.

A spokesman for the government, Miguel Angel Rodriguez, said the cabinet would appoint Jesus Cardenal, chief prosecutor for the Basque region's highest court, as attorney general next week.

The problems started at the end of 1996 after Mr. Ortiz Urculo ordered an inspection of the High Court prosecutor's office, dismissed the chief prosecutor and imposed sanctions on four others for "irregularities."

Luca Bruno/The Associated Press

UNSERENE VENICE — Carabinieri guarding the bell tower in St. Mark's Square after evicting a group of "separatists" Friday. Page 2.

North Koreans Toil in Russia, A 'Paradise'

By Mary Jordan
Washington Post Service

VLADIVOSTOK, Russia — In a barren potato field far from any paved road, the construction worker sat inside a cinder-block shed smoking a Marlboro. The concrete walls of his room were filthy, but he spoke cheerfully beneath a reverential array of framed photos of his nation's leader.

The pictures were not of Boris Yeltsin, however, and the worker cared nothing about Russia.

Choi Shin Kham is one of thousands of North Koreans streaming across the border with Russia as hunger has become a way of life at home.

Here in his bleak shack near one of the world's most remote frontiers, Mr. Choi, 50, sat beneath a portrait of the North Korean leader, Kim Jong Il, and talked about how good he had it in Russia.

"To tell you the truth," he added, "things are not so good in North Korea."

Reclusive North Korea effectively has shut out the world. Hundreds of thousands of border guards not only prevent foreigners from going in but also prevent citizens from leaving. The only exception is in this far eastern corner of Russia, where North Korea is encouraging, and sometimes forcing, its citizens to work; they are building homes, cutting trees and growing cabbage.

This rugged seaport has been called the "Wild East," in large part because of its lawlessness and independence from Moscow, about 6,000 kilometers (3,800 miles) to the west.

The North Korean border, on the other hand, is only 150 kilometers away,

See KOREA, Page 4

Voices From 1946 Echo in the Debate on Swiss Gold

By David E. Sanger
New York Times Service

WASHINGTON — A half-century ago, President Harry Truman faced the question of whether to force Switzerland to disgorge millions of dollars' worth of Nazi plunder.

In a decision that a government report concluded Wednesday was an enormous blunder, he decided that the United States had bigger interests at stake — rebuilding Europe and fighting communism — and settled for token reparations for the victims of Nazism.

Today, President Bill Clinton and his administration face an eerily similar choice.

While much of the Nazi booty was sold off or returned to German citizens,

NEWS ANALYSIS

Switzerland's banks clearly benefited from a large amount of what remained, even if it has since been melted down, traded off or buried in balance sheets.

Now the United States must decide how hard to press Switzerland to pay up, and at what cost to relations with a major trading and financial partner that is feeling bruised by the intense scrutiny of an ugly chapter in history.

That question leads to long pauses and clenched teeth in Washington.

"It's something we can't answer at this point," said Stuart Eizenstat, an undersecretary of commerce who headed the 11-agency study that concluded that Switzerland had evaded responsibility for 50 years and that the United States had failed to use the economic leverage it held over Switzerland to bring a change in behavior.

"We haven't excluded any option," Mr. Eizenstat insists, measuring his words with care. "We're not suggesting that what the Swiss have done in recent months is sufficient. It is important that the Swiss and other neutrals have time to absorb these facts and that we take a look at what action is forthcoming before making any definitive judgments."

Behind Mr. Eizenstat's comments is

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Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AT&T

Commando Raid Ends 'Separatist' Takeover of Venice Bell Tower

Compiled by Our Staff From Dispatches

VENICE — In a lightning raid Friday, Italian commandos scaled the bell tower in St. Mark's Square and ended a brief occupation by eight men seeking independence for the city.

Six men were captured inside the tower, which dates from the ninth century. Two others were arrested in a mock armored car in the square after commandos threatened to blow up the vehicle, the police said.

The city's chief prosecutor called the men "crazies," and Italy's autonomy-minded Northern League disavowed any connection to the group.

The police found a submachine gun and ammunition in the tower along with stores of food and drink, suggesting the men were prepared for a long stay, the commandos' leader said.

"I can't say if they are terrorists, but I can say they were well prepared and determined," he said. "Our main worry was not to cause damage to the monument."

"There is a sense of satisfaction because a bloodbath was avoided and because we think we thwarted possible future actions like this," said Colonel Emilio Borghini, the carabinieri commander in the city.

"No shots were fired," he said. "We did not use tear gas or explosives. They didn't put up any resistance."

The commandos scaled part of the 99-meter (324-foot) tower by telescopic ladder.

The separatists had unfurled a banner proclaiming a "Serenissima Repubblica," referring to Venice when it was an independent republic and one of Europe's economic powers. May 12 is the 200th anniversary of the fall of the Venetian Republic.

The bell tower, which was begun at the end of the ninth century and finished 300 years later, presides over the square that for centuries has been the heart of this city of canals. It partly collapsed in 1902 and was rebuilt 10 years later.

The raid was over in 10 minutes. The carabinieri paramilitary police, flown in from a base in Livorno on Italy's west coast, entered the tower from three sides.

One group of commandos entered through the tower's entrance and another through a window 10 meters up. Others climbed up scaffolding erected outside for a restoration project to reach the bell platform near the top of the tower.

Three occupiers were near the ground floor, two in the middle and the other toward the top. The last one began running up the stairs but was quickly overpowered by the commandos, the police said.

Contradicting earlier reports, the colonel said no tear gas was fired. The separatists, who appeared to be in their 20s, were "caught completely by surprise" and had no time to react, he said.

The protesters arrested Friday face charges that include membership of an armed band, subversion, kidnapping and illegal possession of weapons. The police said the protesters had described themselves as "political prisoners" and were refusing to answer questions.

The police linked them to a shadowy group that has interrupted television news bulletins in northeastern Italy for two months with pirate broadcasts warning of a "spectacular action" to mark the anniversary Monday.

Flyers found in the tower were signed by the "Government of the Most Serene Veneto." Veneto is the name of the region around Venice.

The separatists were taken away in handcuffs. When asked why he had acted, one of them cried, "For St. Mark and the Venetian Republic!" Mark is the city's patron saint.

The chief prosecutor, Mario Daniele, called the occupiers "crazies."

"But even crazies must be taken seriously until you are sure it's a bluff," he said.

Three hundred police officers sealed off the square during the early-morning standoff. The authorities said they ordered the raid because all attempts to negotiate with the men had failed.

The incident began shortly after midnight. The group commandeered one of Venice's public ferries, loaded a camper and the mock armored vehicle aboard and ordered the captain to change course to the St. Mark's Square landing, the authorities said. The men then broke into the tower and climbed up inside.

After dawn, a local broadcast in Venice was interrupted and a faint male voice could be heard saying, "Attention, the Most Serene Venetian government has occupied the bell tower of St. Mark's. Long live St. Mark's, long live the Serenissima."

The Northern League's leader, Umberto Bossi, called the action a "provocation."

"We don't have anything to do with it," he said.

Mr. Bossi's party has its roots in northern dissatisfaction with high taxes and the central government in Rome. In Venice last September, he declared an independent northern republic called Padania, but the move was widely ridiculed.

Mayor Massimo Cacciari of Venice blamed the Northern League for the incident.

"It is obvious that in a climate in which one talks of secession, of Padania, of new states, that these things can happen," he said. *(AP, Reuters)*

In French Election, Discord on the Left

Possibility of Victory Sets Communists to Feuding With Socialists

Reuters

PARIS — Ties between Socialist and Communist parties in France cooled Friday, apparently after opinion polls showed the possibility of an upset leftist victory in the parliamentary election.

The Socialists, by far the strongest partner in the leftist coalition, have increasingly indicated they would push through their own election platform, ignoring the Communists' political agenda in case of victory. The two-round vote is scheduled for May 25 and June 1.

Some media said the Socialist leader, Lionel Jospin, had already decided not to include the Communist leader, Robert Hue, in a leftist cabinet even though the Communists would have contributed to an election victory.

The Communists criticized Mr. Jospin for seeking to impose "hegemony" on the left, and their party's newspaper refused to publish an open letter from Mr. Jospin to voters.

The snub was the latest sign of tension between the two opposition allies in the run-up to the snap parliamentary election called by President Jacques Chirac. The next legislative elections were not due to be held until early in 1998.

The daily L'Humanite, which failed to publish Mr. Jospin's article, published the full text of an article Wednesday by Mr. Chirac that attacked the left's record and program.

"This sort of exchange of letters turns the election into a sort of presidentialization, which is inappropriate," Alain Bocquet, the Communist floor leader in the National Assembly, said in explaining why the Jospin article was not published.

"It is desirable that the left that wins the parliamentary elections should be a balanced left," Mr. Bocquet said on RTL radio. "For the left to succeed, we need a more influential Communist Party."

The Communists, who oppose a single European currency, were angered when Mr. Jospin pledged this week that if the left won, the Socialists would impose their broadly favorable line on European economic and monetary union on their leftist partners.

Mr. Hue, the Communist leader, hinted in a television interview Thursday night that his party might make a referendum on the single currency a condition for supporting a Socialist-led government.

Political analysts said the Communists' highlighting of their differences with Mr. Jospin seemed mainly intended to deter their working-class electorate from voting Socialist in the first ballot for tactical reasons.

They noted that while Mr. Hue continued to press for a referendum, he had not specifically ruled out a single currency.

The latest poll by the polling concern Ipsos showed the governing center-right parties as favored to win 290 of the 577 seats in the National Assembly, a majority of just three seats.

The governing parties had 465 seats in the National Assembly that was dissolved when Mr. Chirac called the election.

The projection in the poll showed the Socialists winning 264 seats, the Communists 22 and the far-rightist National Front party taking one.

Christophe Ena/The Associated Press

The Socialist leader Lionel Jospin, right, laughing with a farmer as he campaigned Friday in Auterive, France, for the parliamentary elections.

Britain Is Upbeat About EU Summit

Agence France-Presse

LONDON — The British foreign secretary said Friday that the Dutch prime minister, Wim Kok, had given Britain a "good and positive response" to its demand to retain passport border controls, clearing the way for an overall agreement at a summit meeting next month to overhaul the European Union.

"I now believe that it will be possible for us to reach an agreement at Amsterdam," the secretary, Robin Cook, said after a meeting with Mr. Kok, Prime Minister Tony Blair and Foreign Minister Hans van Mierlo of the Netherlands.

The Netherlands holds the rotating EU presidency, and Mr. Kok's meeting with Mr. Blair in the first week of the new Labour government was seen as a signal of the high priority Mr. Blair places on Britain's ties with Europe.

Mr. Cook said: "We have told the presidency that it will be our intention to come to Amsterdam to reach an agreement providing that we are satisfied that Britain's national interests have been served."

He stressed that the new government, despite Mr. Kok's positive response, would still be looking for a solid agreement on maintaining Britain's border controls, which most other EU countries have abandoned.

Britain's refusal to budge on the controls has long been a big stumbling block, first under the Conservative government of John Major, now under Labour.

Mr. Cook accepted that there was a case for removing Britain's national veto in some areas where reform was needed. But he added, "We have always made it plain that we will be retaining the veto both in the foreign and security area and also the justice and home affairs pillar."

And he reiterated the government's intention to sign on to EU social policies on labor rules and job protection, which the Conservatives had rejected.

"We will sign up to those things that we believe are good for Britain," he said, adding, "We have no intention of making any concessions at Amsterdam."

Mr. Kok said after the meeting, however, that "compromises will be needed all over Europe." He maintained that without compromises "there will be no Treaty of Amsterdam."

Without a successful conclusion of the treaty, he said, there would not be time to prepare for the Union's enlargement into Central and Eastern Europe.

■ Poland Names Advisory Panel

Prime Minister Wlodzimierz Cimoszewicz of Poland on Friday appointed a council to advise the government during preparations for membership talks with the European Union, Reuters reported from Warsaw.

The 68-member council includes the heads of all parliamentary caucuses, leaders of employers' groups, business executives, economists, academics, journalists and cultural experts.

The government will consult the council during preparations for EU membership negotiations, which it hopes to start early next year before joining the Union by 2002.

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Downing Street To Keep Its Cat

Reuters

LONDON — Humphrey the Downing Street cat is safe.

The official cat in Britain's corridors of power will not be a casualty of Prime Minister Tony Blair's landslide election victory last week, government officials said Friday.

There had been fears that black-and-white Humphrey might have to go because Cherie Blair, the prime minister's wife, considers cats unhygienic.

The Blair children, Euan, Nicholas and Kathryn, have been forbidden to own pets.

Humphrey first appeared in Downing Street, where the prime minister lives and works, eight years ago and was later adopted by John Major and his wife, Norma, when he became prime minister.

In a gesture of reconciliation, Mrs. Blair hugged Humphrey in front of cameras Friday, smiling despite getting white cat hairs all over her black jacket.

"Humphrey is safe," a government official said.

The official said that Downing Street had been inundated with letters and calls following "mistaken" reports that Mrs. Blair wanted the cat out.

TRAVEL UPDATE

Luxor: Back in Shape

LUXOR, Egypt — Egypt has taken new steps to bolster tourism in the pharaonic city of Luxor, opening the country's first mummification museum, finishing the restoration of the Luxor Temple and opening a bridge to facilitate access to other ancient sites on the west bank of the Nile.

The museum will exhibit mummies of a human, animals, fish and reptiles made during the time of the pharaohs. It will also show funeral goods and statues of gods linked to death.

The Luxor Temple on the Nile's east bank had suffered from flooding and salt encrustations. Restoration work consisted of dismantling 22 columns from the court and installing a system to halt the rise of underground water. *(AFP)*

Zaire Flights Diverted

BRUSSELS — Sabena, the Belgian state carrier, canceled all stops in Kinshasa, the Zairian capital, and will divert its flights to Brazzaville, the Congolese capital. Meanwhile, Ethiopian Airlines said it had canceled its two flights a week to Kinshasa. *(Reuters)*

Turkish Airlines, the state-run carrier, will begin flying to Chicago this month, and in June to Budapest, Jakarta and Manchester, England. *(AFP)*

BRIEFLY

Albania Parties Sign Deal for Vote

TIRANA, Albania — The European envoy Franz Vranitzky claimed a breakthrough Friday in plans to hold early elections in Albania, saying the 10 main parties had signed a political contract to ensure the vote goes ahead.

"This is a breakthrough which we have achieved today," said Mr. Vranitzky, envoy of the Organization for Security and Cooperation in Europe. President Sali Berisha hailed the contract as an important contribution.

Mr. Vranitzky was on his fourth visit since widespread rioting over failed pyramid savings schemes broke out in February. *(Reuters)*

UN Due to Adopt Treaty on Dams

UNITED NATIONS, New York — The UN General Assembly is due to adopt on Tuesday an international convention governing dams.

But countries such as Turkey will refuse to ratify the treaty, which says that upstream states planning dam construction that may have "an adverse effect" on other states must notify the countries concerned.

Turkish diplomats said that the convention disadvantages states with dams on their territory.

Western diplomats say that the convention will be adopted by a vote in the 185-nation General Assembly on Tuesday. It comes into effect when 35 states have ratified it, but will apply only to the countries that have done so, one expert pointed out. *(AFP)*

Italy May Allow Return of Monarch

ROME — Despite widespread outrage over his recent defense of the anti-Semitic laws under fascism, the government submitted legislation Friday that would allow the son of Italy's last king to return from exile.

The bill would lift a clause in the postwar constitution that bars male descendants of the royal family from returning to Italy. If approved, it would clear the way for the return of Victor Emmanuel, son of Umberto II, who left Italy at the age of 9 and lives in Geneva. *(AP)*

Sinn Fein Seeks Inquiry Into Killing

BELFAST — Nationalist leaders in Northern Ireland on Friday demanded a British inquiry into why police failed to stop the savage, fatal beating of a Roman Catholic man by a Protestant mob.

Gerry Adams, leader of the Irish Republican Army's political wing, Sinn Fein, challenged the new Northern Ireland secretary, Marjorie Mowlam, to investigate the killing in Portadown, south of Belfast. *(Reuters)*

RELIGIOUS SERVICES

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CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

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HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service. 6:30 p.m. Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa, Sun. 11; **VENCE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 58 47.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 6 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 26 56. Metro: Charles de Gaulle - Etoile.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Idabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel.: 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION: St. Anton Church, Minervastraße 63 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

USA

If you would like a free Bible course by mail, please contact: L'EGLISE de CHRIST, P.O. Box 513, Staunton, Indiana 47881 U.S.A

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz: St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Roma. Tel.: 39/6 488 3339 or 39/6 474 3589.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 322 384-3555.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohentorshestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 0421-78 648.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 688.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenaistr. 11-18, 63150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries. Pastor M.Levey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-6024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 95.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 69, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/96631066 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.69.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2825925.

Editor Sentenced in Euro-Diary Flap

Reuters

COPENHAGEN — A newspaper editor was given a 20-day suspended sentence Friday for having published the diary of an EU commissioner without her permission, court officials said.

Prosecutors had sought a six-month jail sentence for Toeger Seidenfaden, editor of Politiken, for publishing Ritt Bjerregaard's diary in October 1995. Mrs. Bjerregaard is EU commissioner for environmental affairs.

The printing of "The Commissioner's Diary" came after Mrs. Bjerregaard had withdrawn the book from her publisher. It is a tell-all story about life inside the EU's executive agency. Mr. Seidenfaden said he had Mrs. Bjerregaard's "silent acquiescence" in publishing the diary, an assertion she denies.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
A cold front will cause gusty thunderstorms across the Midwest Sunday and as far east as Detroit Monday. Dry with some sunshine in the Northeast, but thunderstorms are likely by Tuesday. Sunny, warm and dry in the West, but southern and western Texas will have soaking rains.

Europe
Windy and cool from England to Germany and Scandinavia. Most of the area will have scattered showers, but steadier rains will soak Ireland, Scotland and parts of Norway. Warm and dry weather will continue from Turkey on north across the Ukraine. Partly sunny and nice in Italy.

Asia
Cool with rain in Seoul Monday, then turning much warmer through Tuesday. Partly sunny and comfortable in Tokyo, though it could shower Monday. Beijing will be dry and very warm. An area of rain will be over east-central China. Hot, dry weather will continue over most of India.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	21/70	12/53 pc	21/70	12/53 c
Amsterdam	16/61	11/52 c	16/61	7/44 c
Ankara	26/79	9/48 pc	27/80	9/48 pc
Athens	23/73	13/55 s	23/73	14/57 pc
Barcelona	21/70	12/53 pc	22/71	14/57 pc
Belgrade	21/70	9/48 pc	24/75	13/55 pc
Berlin	16/61	8/46 pc	21/70	13/55 c
Brussels	15/59	11/52 sh	16/59	7/44 r
Budapest	19/66	11/52 c	22/71	11/52 pc
Copenhagen	13/55	5/41 c	15/59	10/50 r
Costa Del Sol	24/75	13/55 pc	24/75	14/57 pc
Dublin	12/53	6/43 r	13/55	5/41 r
Edinburgh	12/53	7/44 r	13/55	5/41 r
Florence	21/70	8/46 pc	22/71	13/55 c
Frankfurt	16/61	6/43 pc	21/70	12/53 c
Geneva	14/57	9/48 r	19/66	10/50 c
Helsinki	10/50	3/37 r	9/48	5/41 sh
Istanbul	22/71	11/52 s	22/71	11/52 s
Kiev	19/66	8/46 s	21/70	9/48 pc
Las Palmas	23/73	17/62 pc	22/71	15/59 pc
Lisbon	18/64	13/55 c	18/64	13/55 sh
London	16/61	7/44 r	15/59	6/43 pc
Madrid	23/73	9/48 c	24/75	9/48 pc
Mallorca	19/66	13/55 pc	21/70	15/59 pc
Milan	18/64	11/52 r	21/70	13/55 r
Moscow	20/68	7/44 r	17/62	6/43 pc
Munich	16/61	8/46 sh	19/66	9/48 c
Nice	17/62	12/53 pc	18/64	15/59 r
Oslo	11/52	10/50 r	18/61	4/39 c
Paris	14/57	9/48 r	14/57	7/44 r
Prague	15/59	6/43 c	19/64	11/52 sh
Reykjavik	8/48	4/39 c	9/48	6/43 c
Riga	12/53	5/41 sh	14/57	8/46 pc
Rome	19/66	9/48 s	21/70	14/57 c
St. Petersburg	14/57	6/43 sh	13/55	7/44 sh
Stockholm	8/46	5/41 r	11/52	5/41 sh
Strasbourg	17/62	12/53 c	19/66	11/52 r
Tallinn	9/48	3/37 r	8/46	6/43 sh
Tbilisi	28/79	12/53 pc	27/80	13/55 pc
Venice	18/64	9/48 sh	19/66	14/57 c
Vienna	18/64	10/50 pc	23/73	12/53 pc
Warsaw	17/62	6/43 pc	20/68	10/50 pc
Zurich	16/61	11/52 sh	19/66	10/50 c

Middle East

Abu Dhabi	39/84	17/62 s	31/88	18/61 s
Beirut	27/80	18/64 s	27/80	19/66 s
Cairo	34/93	13/55 s	34/93	18/61 s
Damascus	32/89	13/55 s	31/88	14/57 s
Jerusalem	29/82	12/53 s	29/82	13/55 s
Luxor	41/106	17/62 s	42/107	18/64 s
Riyadh	36/97	17/62 s	37/88	19/66 s

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	20/68	7/44 sh	19/66	3/37 pc
Bali	31/88	23/73 sh	32/89	23/71 pc
Bangkok	33/91	24/75 t	33/91	25/77 pc
Beijing	24/75	16/61 c	26/79	13/55 pc
Bombay	32/89	23/73 s	32/89	24/75 s
Calcutta	36/97	24/75 pc	37/99	24/75 s
Chiang Mai	33/91	22/71 r	33/91	23/73 pc
Colombo	30/86	24/75 pc	31/88	24/75 pc
Hanoi	29/84	24/75 sh	29/84	24/75 sh
Ho Chi Minh	34/93	24/75 pc	33/91	25/77 pc
Hong Kong	27/80	22/71 sh	27/80	23/73 sh
Islamabad	35/95	17/62 s	34/93	19/66 pc
Jakarta	31/88	24/75 pc	31/88	24/75 pc
Karachi	36/97	21/70 s	33/91	21/70 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 pc
K. Kinabalu	32/89	21/70 pc	31/88	22/71 pc
Manila	33/91	22/71 s	33/91	22/71 pc
New Delhi	41/106	21/70 s	41/105	23/73 s
Phnom Penh	32/89	22/71 c	33/91	24/75 pc
Phuket	33/91	24/75 r	33/91	25/77 pc
Rangoon	33/91	24/75 r	32/89	25/77 pc
Seoul	24/75	10/50 s	17/62	14/57 r
Shanghai	21/70	19/66 r	24/75	22/71 r
Singapore	32/89	22/71 pc	32/89	22/71 pc
Taipei	29/79	23/73 r	29/84	22/71 pc
Tokyo	23/73	16/61 s	21/70	17/62 pc
Vientiane	29/82	23/73 sh	29/84	24/75 sh

Africa

Algiers	28/82	18/61 pc	28/82	18/61 c
Cape Town	25/79	13/55 s	27/80	13/55 s
Casablanca	16/64	11/52 pc	21/70	13/55 s
Harare	31/88	11/52 s	32/89	11/52 s
Lagos	30/86	23/73 pc	29/84	23/73 pc
Nairobi	25/79	16/61 c	24/75	15/59 r
Tunis	26/79	14/57 pc	28/82	14/57 pc

Latin America

Buenos Aires	24/75	13/55 s	23/73	14/57 s
Caracas	29/84	24/75 pc	31/88	24/75 pc
Lima	24/75	17/62 pc	23/73	17/62 pc
Mexico City	23/73	10/50 c	25/77	10/50 pc
Rio de Janeiro	22/71	16/61 pc	22/71	17/62 pc
Santiago	24/75	11/52 pc	22/71	9/48 s

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	12/53	4/39 c	13/55	5/41 c
Atlanta	21/70	7/44 s	21/70	11/52 s
Boston	12/53	7/44 sh	14/57	8/43 c
Chicago	17/62	7/44 s	19/66	8/43 pc
Dallas	24/75	12/53 c	23/73	14/57 pc
Denver	23/73	8/46 pc	24/75	7/44 pc
Detroit	13/55	3/37 pc	15/59	6/43 pc
Honolulu	28/82	19/66 s	29/84	21/70 pc
Houston	24/75	13/55 pc	24/75	15/59 pc
Los Angeles	27/80	14/57 s	24/75	13/55 pc
Miami	31/88	20/68 pc	29/84	21/70 pc
Minneapolis	22/71	9/48 s	19/66	8/43 pc
Montreal	8/46	0/32 r	8/46	2/36 pc
Nassau	29/84	21/70 pc	29/84	22/71 pc
New York	15/61	7/44 sh	17/62	10/50 pc
Orlando	28/82	18/61 t	27/80	19/61 pc
Phoenix	37/99	22/71 s	39/91	19/66 pc
San Fran.	21/70	11/52 s	23/71	12/53 pc
Seattle	21/70	9/48 s	23/73	11/52 pc
Toronto	5/41	-4/25 sn	9/48	2/35 s
Vancouver	20/68	10/50 s	21/70	14/57 sh
Washington	17/62	8/46 c	19/66	9/48 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Oceania

Auckland	19/61	11/52 c	18/61	13/55 r
Sydney	17/62	15/59 r	20/68	16/61 r

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Bell Tower

voice could be heard saying 'Attac tion, the Most Serene Venetian go- ernment has occupied the bell tower o St. Mark's. Long live St. Mark's, Yo live the Serenissima."

The Northern League's leader, Um berto Bossi, called the action a "pro vocation."

"We don't have anything to do wi it," he said.

Mr. Bossi's party has its roots in resen dissatisfaction with high taxes and the central government in Rome. In Venice last September, he declared an indepen ent northern republic called Padania, bu the move was widely ridiculed.

Mayor Massimo Cacciari of Venice blamed the Northern League for the incident.

"It is obvious that in a climate in which one talks of secession, of Padania, of new states, that these things can happen," he said. (AP, Reuters)

BRIEFLY

Albania Parties Sign Deal for Vote

TIRANA, Albania — The European envoy Franz Vranitzky claimed a breakthrough Friday as plans to hold early elections in Albania, saying the 10 main parties had signed a political contract to ensure the vote goes ahead.

"This is a breakthrough which we have achieved today," said Mr. Vranitzky, envoy of the Organization for Security and Cooperation in Europe. President Sali Berisha hailed the contract as an important contribution.

Mr. Vranitzky was on his fourth visit since widespread rioting over failed pyramid savings schemes broke out in February. (Reuters)

UN Due to Adopt Treaty on Dams

UNITED NATIONS, New York — The UN General Assembly is due to adopt on Tuesday an international convention governing dams.

But countries such as Turkey will refuse to ratify the treaty, which says that upstream states planning dam construction that may have "an adverse effect" on other states must notify the countries concerned.

Turkish diplomats said that the convention disadvantages states with dams on their territory.

Western diplomats say that the convention will be adopted by a vote on the last day of the General Assembly on Tuesday. It comes into effect when 35 states have ratified it, but will apply only to the countries that have done so, one expert pointed out. (AFP)

Italy May Allow Return of Monarch

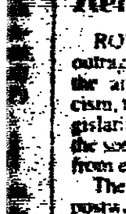
ROME — Despite widespread outrage over his recent defense of the anti-Semitic laws under fascism, the government surprised legislators Friday that would allow the son of Italy's last king to return from exile.

The bill would lift a clause in the post-war constitution that bars male descendants of the royal family from returning to Italy. If approved, it would clear the way for the return of Victor Emmanuel, son of Umberto II, who left Italy at the age of 9 and lives in Geneva. (AP)

Sinn Fein Seeks Inquiry Into Killing

BELFAST — Nationalist leaders in Northern Ireland on Friday demanded a British inquiry into why police failed to stop the savage, fatal beating of a Roman Catholic man by a Protestant mob.

Gerry Adams, leader of the Irish Republican Army's political wing, Sinn Fein, challenged the new Northern Ireland secretary, Mo Mowlam, to investigate the June killing in Portadown, south of Belfast. (Reuters)



Asia

Africa

Latin America

Oceania

Clinton Hears Plea on Immigrants

But He Rules Out an Amnesty for 300,000 Central Americans

By Peter Baker
Washington Post Service

SAN JOSE, Costa Rica — President Bill Clinton has rebuffed pleas from Central American leaders seeking amnesty for immigrants who fled their region during the civil wars of the 1980s, but he tried to assuage their concerns by vowing humane enforcement of a tough new U.S. immigration law.

During a summit meeting here Thursday, the presidents of El Salvador and Nicaragua pressed Mr. Clinton to help hundreds of thousands of people who sought refuge in the United States a decade ago and face the prospect of expulsion now that peace and stability have arrived.

The new law, which took effect April 1, could affect about 300,000 Central Americans in the United States.

Mr. Clinton made clear that amnesty was not an option, according to participants in the closed-door session. But, in private and later during public remarks, he repeatedly expressed sympathy for the plight of immigrants who had come to the United States legally, comparing them to the "boat people" who escaped Vietnam in the 1970s.

He also promised to avoid any draconian roundups of immigrants while he tries to persuade Congress to soften the impact of the law.

"There will be no mass deportations and no targeting of Central Americans under this law," Mr. Clinton said at a post-summit news conference, repeating a pledge he has made throughout his trip this week. "I am working with Congress to implement the new law so that it does not produce these unintended results."

While disappointed not to hear more specific assurances, Central American leaders said they were convinced that Mr. Clinton understood their position and believed that he would translate his soothing words into tangible results.

"It is very encouraging for us to hear the profoundly humane position that he adopts when he looks at the people who have had so much pain," said President Armando Calderon Sol of El Salvador.

President Leonel Fernandez Reyna of the Dominican Republic said: "We're always wanting to see more, but of course we understand the situation the United States is facing. We do think there has been a consideration of the humanitarian problem involved."

On other topics, the United States signed an "open skies" agreement permitting unrestricted air service with Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala, and the region's leaders discussed expanding free trade, joint law enforcement and environmental protection.

But U.S. immigration policy dominated the meeting. The issue resonates strongly here because of the imminent threat to Central American immigrants in the United States and the impact their deportation could have. Those immigrants, who entered the United States under rules intended to grant them temporary sanctuary from political upheaval at home, send home $1.5 billion a year to relatives in El Salvador and Nicaragua. Analysts say shipping them home en masse could overwhelm Central American labor markets.

Bob Child/The Associated Press

GUNS TO MANHOLES — Brad McCallum, left, an artist, and Mayor Mike Peters of Hartford, Connecticut, placing one of the 228 manholes McCallum cast from 11,000 confiscated guns in the state.

Away From Politics

• **Three fire fighters were killed and 16** people were injured in an explosion and fire that ripped through a chemical plant at West Helena, Arkansas, spewing poisonous chemicals into the air. The blast at the BPS Inc. plant forced the evacuation of scores of residents in the path of the toxic cloud, officials said. *(Reuters)*

• **An army cooking instructor was sentenced** to four years in prison for having sex with two female trainees at Fort Lee, Virginia. Staff Sergeant Jeffrey Ayers, 28, was convicted of adultery, attempted adultery, indecent assault and improper relationships involving two soldiers, ages 18 and 19. The women testified that the sexual encounters were consensual. The military bars personal relationships with subordinates. *(AP)*

• **Roman Catholics concerned about** catching a cold by taking Holy Communion can relax, a researcher says. Anne LaGrange Loving, an assistant professor of microbiology at Felician College in Lodi, New Jersey, found no increase in the rate of infection after studying 681 people who participated in the sacrament. Some people worry about eating wafers from the same plate or drinking wine from the same chalice as the rest of the congregation. *(AP)*

• **Federal authorities are divided over** whether they have enough evidence to seek custody of a key bombing suspect being held in Canada, law-enforcement sources said. Officials want to talk with Hani Abdel Rahim Sayegh, 28, an alleged participant in the blast at the Khobar Towers in Saudi Arabia that killed 19 American servicemen last year. But federal authorities might not be able to hold him if he is sent to the United States on the basis of limited evidence, some officials said. *(WP)*

Can Deep Blue Think? Kasparov's View: Yes

By George Johnson
New York Times Service

NEW YORK — Whether the machine or the man ultimately wins the rematch between Deep Blue and Garry Kasparov, it is probably just a matter of time before a computer prevails. What is far less certain is just what to make of such a victory.

How to define intelligence and decide who or what has it remains among science's unsolved, and possibly unsolvable, problems. Whether a machine like Deep Blue, combining lightning-fast search power with a growing database of chess knowledge, can be said to think depends on one's philosophical prejudices — and it can be surprising to learn who holds which view.

It would seem likely that Deep Blue's inventors would be touting their brainchild as a landmark in artificial intelligence, and that Mr. Kasparov would be dismissing Deep Blue as a mere automaton, triumphing when it does mostly because of an inhuman ability to consider 200 million chess positions in the time it takes to furrow an eyebrow.

Its ability to do that has enabled it to hold its own against Mr. Kasparov, and after four games they are deadlocked. Each has won once, and two games were drawn. The last two games will be played Saturday and Sunday.

During all this, scientists from International Business Machines, the company that made the computer, have taken pains to emphasize that Deep Blue is really just a glorified calculator. On a special Web page put up for the occasion, IBM says Deep Blue is "a machine that is incapable of feeling or intuition."

Mr. Kasparov has been paying Deep Blue the compliment of describing it as though it were intelligent. After beating the computer last year, he said it had exhibited stirrings of genuine thought.

"I believe signs of intelligence can be found in the net result, not in the way the result is achieved," he said before this week's rematch. "I don't care how the machine gets there. It feels like thinking."

Mr. Kasparov is taking what philosophers call the functionalist position. Intelligence is as intelligence does. From his point of view, the digital calculations taking place in Deep Blue's processors are as invisible as the firings of neurons in a human opponent. All that matters is the outcome.

The IBM team, which knows the workings of the computer too well to be so impressed, is coming down on the side of those who argue that intelligence requires an ability to learn from mistakes, a talent still lacking in Deep Blue, and perhaps even emotions and the chimerical quality called consciousness.

Maybe when scientists learn more about human brains, they will be just as unimpressed by the way Mr. Kasparov thinks through a game. If a brain is just a biological computer, as most neuroscientists assume, mysterious qualities such as intuition should turn out to be a matter of calculation, searching a neurological database of possible solutions.

Brains make up for their slowness by learning to recognize the most promising possibilities. Computers make up for their ignorance and poor skills at pattern recognition by exhaustively considering possibilities that a human would not bother with.

FBI Examines Top Officials In 'Spy' Case

By Brian Duffy and Nora Boustany
Washington Post Service

WASHINGTON — FBI agents investigating whether a U.S. government official may have given sensitive information to Israel began to conduct surveillance in recent weeks on several high-ranking officials of the State Department and the National Security Council staff, officials knowledgeable about the inquiry say.

The officials cautioned that the FBI had not determined whether any of the individuals had acted improperly, saying their names had been placed on a list of possible suspects because of their access to certain information.

Attorney General Janet Reno confirmed Thursday that an investigation was under way involving a conversation intercepted in January that suggested Israel may be getting sensitive information from someone in the U.S. government.

"We have an ongoing investigation, so I can't comment," Ms. Reno said at her weekly Justice Department news briefing.

The conversation, between two Israeli intelligence officers — in Washington and Tel Aviv — was intercepted by the National Security Agency. The officers referred to someone codenamed "Mega" and an attempt to obtain a sensitive American document relating to the peace process in the Middle East.

The Israeli authorities have denied emphatically that they conducted improper intelligence-gathering operations in the United States or improperly received sensitive documents from government officials here.

POLITICAL NOTES

Segregate Training by Sex, 81 in House Urge Military

WASHINGTON — As the military struggles with a wave of sexual misconduct allegations, 81 members of the House of Representatives, almost one-fifth of the full membership, called on the Pentagon to segregate basic training of recruits by sex by providing female drill instructors for platoons of women.

Representative Roscoe Bartlett, Republican of Maryland, chief sponsor of the proposal, said Thursday that segregated training would "provide both men and women the necessary opportunity to successfully become military personnel without the distractions of sexuality."

But Representative Jane Harman, a California Democrat and like Mr. Bartlett a member of the personnel subcommittee of the House National Security Committee, said the plan would damage the career prospects of women in the service while doing nothing to stop sexual misconduct.

Under Mr. Bartlett's bill, only female officers and noncommissioned officers could be assigned to train female recruits, and only male officers and noncommissioned officers could train men. The Marines already train men and women separately. *(LAT)*

Help for States Fight Teen Crime

WASHINGTON — The House has voted overwhelmingly to offer states $1.5 billion to fight juvenile crime if they change their laws and require that young people accused of violent crimes in state courts be tried as adults.

At the same time, the House voted to toughen penalties against the relatively few juveniles convicted in federal court of violent crimes, which the legislators defined as murder, rape or assault involving a firearm. The bill passed on a vote of 286 to 132.

The Senate must still take up the bill, which is supported in general by the White House. But the vote Thursday continues the trend of recent years of getting tougher on juvenile offenders.

"Our youngest career criminals are getting away with the most heinous crimes over and over again, and it's not just gang warfare," Representative Porter Goss, Republican of Florida, said on the House floor Thursday.

Recent federal statistics show that crime rates over all, including those tracking offenses by juveniles, are dropping. But statistics cited in the debate also show that a fifth of all violent crime is committed by people under 18. The impression lingers that crime by juveniles is out of control.

The vote to toughen federal penalties was largely symbolic because few youthful offenders are ever tried in federal court.

Quote/Unquote

Representative Jerrold Nadler, Democrat of New York, as religious conservatives in Congress introduced an amendment to the Constitution that would explicitly allow prayer in public schools: "How can people who call themselves conservatives, people who don't trust government to regulate the railroads or deadly weapons, trust the government to meddle in the religious education of our children?" *(NYT)*

Manuel Nardy, 92, Brazil Legend, Dies

By Robert McG. Thomas Jr.
New York Times Service

Manuel Nardy, 92, a hard-drinking, tale-spinning cowboy of such hardscrabble simplicity that he didn't learn until years after the fact that he had been translated into one of the most memorable characters in Brazilian literature, died Monday in a hospital in Belo Horizonte. He was known throughout Brazil as *Manuelzao*, or *Big Manuel*.

It would be understandable if Mr. Nardy had not immediately recognized his literary counterpart — even if he had known how to read and write.

The acclaimed author who made him famous, Joao Guimaraes Rosa, was likened as often to Proust as he was to Joyce. But Rosa's 1956 masterpiece, "Grande Sertao: Veredas," relied so heavily on a stream-of-consciousness narration, with convoluted stories embedded within convoluted stories, and used so many made-up words that more than a few college graduates found what one breathless critic called "the greatest literary adventure since Ulysses" every bit as difficult to get through.

It was not until after Rosa's death in 1967 that literary sleuths tracked down the man whose affecting homespun philosophy and vivid recollections of life in the Brazilian backlands had made him the model for Riobaldo, the book's sensitive, thoughtful, often bewildered narrator.

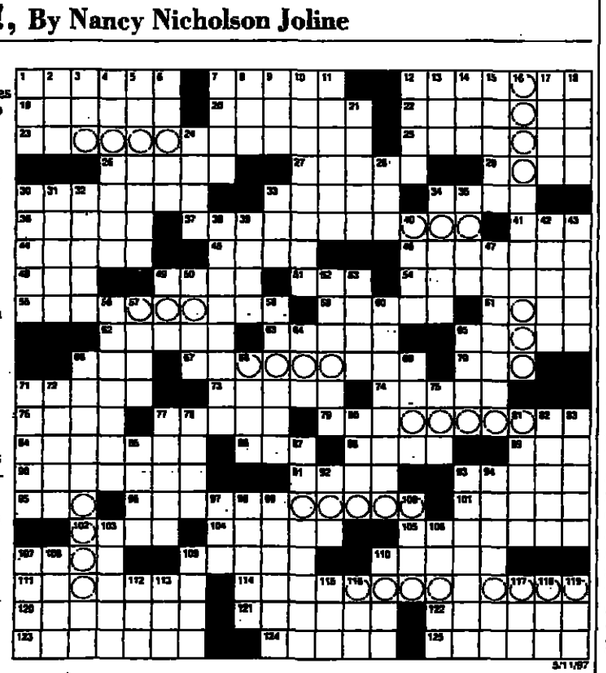
A native of Tres Marias in the remote state of Minas Gerais, Mr. Nardy, who had no formal education, worked as a wrangler on a nearby ranch for most of his life.

When Mr. Rosa, a doctor-turned-diplomat-turned novelist, came to the ranch in the late 1940s to do some literary research for a collection of short stories, Mr. Nardy became his guide, accompanying him on horseback and regaling him with stories of the old days in the strife-torn upland plains known as the *sertao*, the Brazilian version of the Wild West.

Once he was discovered by the Brazilian literary establishment, Nardy savored his role as a celebrity, granting interviews, posing for photographs and even giving lectures at colleges.

William A. Koshland, 90, chairman emeritus and former president of the publisher Alfred A. Knopf, died of cancer Wednesday at Mount Sinai Medical Center in Manhattan. He dealt with Knopf's foreign writers, including Thomas Mann, Brendan Behan and Elizabeth Bowen. Among the American authors he dealt with were Willa Cather, Ira Gershwin, John Hersey and Robert Nathan. Mr. Koshland achieved a major hit when he added "Mastering the Art of French Cooking" by Julia Child, Louisette Bertholle and Simone Beck to the fabled Knopf list in 1961.

INFESTED!, By Nancy Nicholson Joline



ACROSS
1 Device
7 Crescent features
12 1986 P.G.A. Championship winner
19 Tell el —, Nile excavation site
20 Richards of "Jurassic Park"
22 Fair
23 1980 Oscar winner
25 Makes available
26 Faint
27 Alvarado of "Little Women," 1994
29 Primatologists' subjects
30 More like Mrs. Rumpole of books and TV
33 Some are deciduous
34 London park name
36 Scarlett's mother
37 Three-time Pulitzer-winning playwright
41 Tiny one of fiction
44 Candy counter name
45 "— go bragh"
46 Mark of uncertainty
48 Tombstone letters
49 Like a streaker
51 — Na Na of rock
54 St. Francis — (French prelate)
55 Prevarication
59 View from Chamonix
61 Indian prince
62 Perkins's killer role
63 — Detoo, "Star Wars" android
65 They blow with the wind
66 Boggy land
67 Form of ID
70 Tolkien forest giant
71 Insults
73 Where Diana Vreeland reigned
74 Milne creature
76 Like some stories
77 Special-care job at the cleaner's
79 Reads the riot act to
84 Accommodates
86 Dallas-to-San Antonio dir.
88 Contest in "Ivanhoe"
89 Bachelor's last words
90 One in an incubator
91 Uffizi attraction
93 Storage area
95 Fairy tale creature
96 Sailor's top
101 Bit of earthenware
102 Tax —
104 Waterfall
105 Museum guides
107 1960 #1 hit "— Angel"
109 First name on "Saturday Night Live"
110 Deficiency
111 Mother-of-pearl source
114 It might make a report for a construction crew
120 Duped
121 More crushed
122 "South Pacific" nurse
123 Pedal parts
124 Yucky
125 Requiring a tie

DOWN
1 Hood's rod
2 Aramis, to Athos
3 Weir
4 Brings in
5 What vines do
6 Deepest lake in the continental U.S.
7 "All the Way" lyricist Sammy
8 Neighbor of Arg.
9 Word to a boxer, maybe
10 Paisleys, e.g.
11 Rumbled, in a way
12 Hope-Crosby film destination
13 Prefix with duct or form
14 Gunn of "Treasure Island"
15 Escalator feature
16 Sulked
17 Flu feature
18 Cowboy affirmatives
21 Santa —, California track
24 Time past
28 Whaler's org.
30 "The game ain't over till it's over" speaker
31 Kind of acid
32 Was quiescent
33 Red — (sushi order)
34 "— Johnny!"
35 Senate sounds
38 Mocking
39 St. Paul's architect
40 Eliot hero
42 Personification of peace, in myth
43 Painted Desert features
47 New York's — Lakes
49 Lunch counter order
50 Passing remarks?
52 Mad one of fiction
53 Santo Domingo-born All-Star
56 First U.S. college to award degrees to women
57 Strikes out
58 Hindus' holy river
60 They may be felt on the head
64 Writer Santha Rama —
65 Dramatist Lope de —
66 Like Watergate-era Washington
68 Balder and Odin
69 Knicks great Monroe
71 Problem for a lawn mower
72 Classify
75 Sondheim's "— While I'm Around"
77 Like some stoves
78 Worn
80 Cry of Caesar
81 Arrive at, as a solution
82 It's the law
83 Drawer oddments?
85 Word with park or plan
87 Big circus name
92 Bunk
93 Whistle-blower
94 Valley crosser
97 British mil. decoration
98 Feet containers
99 Maker of the Grand Canyon, in myth
100 Touch up
103 Shoreline feature
106 Upright
107 M. Hulot's creator
108 "My People" author
109 Eye
110 Not solid
112 Lunch time, maybe
113 Chill
115 Spots
116 Crossed
117 They, in Toulon
118 U.S.S.R., today
119 Essential

5/11/97

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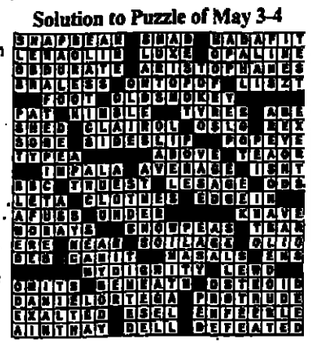
Solution to Puzzle of May 3-4



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KOREA: *Workers From North Find Life in Russia to Be 'Paradise'*

Continued from Page 1

and Russian companies here eagerly make contract arrangements with North Korean authorities for the workers, who are prized for hard work and low cost.

Many of these arrangements are connected to the Russian mafia, and part of the deal is that no questions are asked about how the North Koreans choose to pay or discipline their workers.

Starved for money, North Korea forces the workers to turn over almost all their pay — usually $2 to $15 a day — to security agents who funnel the money back to the government. The police here say many of the workers also bring in heroin or opium produced in North Korea to sell to the Russian mafia.

By most accounts, drugs and counterfeit money are now among the most important North Korean exports, and one vital market is this isolated, untamed corner of Russia, which has become poor and forgotten since the Soviet Union collapsed five years ago.

U.S. intelligence reports say that perhaps 100,000 North Koreans died last winter from famine conditions; some South Korean estimates put the current death rate as high as 2,000 people a day. While many analysts are poised on the North Korean border looking for clues about how desperate things have become inside the closed country, no guesswork is needed here.

North Korean arrest teams monitor train stations and the streets of this Russian city looking for potential defectors, or for North Koreans who commit the crime of talking to South Koreans who also have come here to work.

Although nearly half the local population is considered poor, and the government in Moscow frequently does not pay many teachers, military officers and doctors for months, North Koreans view them as rich. Compared with North Koreans who reportedly are eating tree bark and making donated rice last longer by mixing in wood chips, they are rich.

Scattered on construction sites throughout this once-mighty seaport, and in vegetable fields in its desolate outskirts, many North Koreans work 14 or 15-hour days, often wearing black Lenin caps and red lapel buttons bearing a picture of the late North Korean leader Kim Il Sung. Some sleep in abandoned buildings, sometimes 20 to a room. Their living quarters usually have no electricity or running water, but nearly every room has pictures of Mr. Kim and his son, Kim Jong Il — testimony to the personality cult the Kims have cultivated for decades to control their people.

A captain, as the government security agents are called, stands watch over the construction sites, making sure his workers talk to no one. Only married men with children are allowed to leave North Korea to come here. Such workers are the easiest to control because they know their families face prison or death if they defect.

"We do know that their leaders take the money they earn and leave them only money to survive," Vladimir Stegni, deputy governor of the province, said in an interview. "Sometimes they commit crimes hoping to be put in jail because they prefer to stay in Russian prisons."

Mr. Stegni said that some North Koreans escaped from labor camps and tried to find South Koreans who would help them hide. Even the Russian police have taken pity on some of the workers after witnessing North Korean security agents executing troublemakers. Still, Mr. Stegni said, the sad truth is that, for many of the North Korean workers, "compared to where they came from, it's like paradise for them."

Mary Jordan The Washington Post

Choi Shin Kham in front of his home near Vladivostok, Russia.

Estimates of how many North Koreans work in the vast Russian Far East range from 10,000 to 30,000, with at least 3,000 working in and around Vladivostok.

Andrei Alexandrov, director of the East Russian Analytical Center here, noted that Americans, South Koreans and Chinese were talking about what they would do with a possible flood of refugees should North Korea collapse.

"Well, the problem already exists. They are here," he said. "The tensions between North and South Koreans are very strong."

When an American reporter tried to speak to some of the North Korean construction workers, frightened looks crossed the workers' faces. Some disappeared in a flash. Others quickly fetched their supervisor, who shooed away the outsider.

"No Americans! You will never know anything about us!" the supervisor shouted. Another said: "I am not free to say whether I like it or not; I am here working for my government."

Mr. Choi, the worker approached in a vegetable field outside of town, was unusually friendly, as were a few other North Korean workers in clandestine meetings. But he also said that while his country has some problems, "we do believe we can solve our problems ourselves."

China Jetliner Crashed on 3d Landing Try

The Associated Press

SHENZHEN, China — A Chinese jetliner crash-landed and exploded in flames, killing at least 35 people, after the pilot failed twice to touch down in a driving rainstorm, survivors said Friday.

The Boeing 737 was "shaking badly" before it slammed into the runway on the third attempt to land, breaking apart and becoming engulfed by fire, one of the survivors, Fung Chin-pang, said from his hospital bed.

A Chinese businessman, Li Boyin, said the floor below his seat began "buckling" after the plane's wheels bumped the ground three times on the first landing attempt. Thirty-three passengers and two crew members were killed in the crash Thursday night in Shenzhen, a Chinese official said in a telephone interview.

A Thai radio report said 20 Thai tourists were among the dead.

Rescuers worked in drenching rain to pull survivors from the wreckage of the China Southern Airlines plane, which carried 65 passengers and a crew of nine.

Thirty-five survivors were taken to hospitals in Shenzhen. Four other people on the flight were unaccounted for.

The cause of the crash was not known, the Chinese official said.

BRIEFLY

Japan to Guard Disputed Isles

TOKYO — Japan will step up coast guard patrols around disputed islands in the East China Sea but will stop short of deploying its navy to halt a flotilla of Taiwan and Hong Kong activists, government ministers said on Friday.

Transport Minister Makoto Koga said the Maritime Safety Agency, Japan's coast guard, would forgo training drills and other scheduled events to strengthen patrols near the Senkaku Islands on May 18. Taiwan and Hong Kong activists are planning a "large-scale action" on May 18 to back Taipei's and Beijing's claim to the islands, now administered by Japan. *(Reuters)*

Police Graduates Riot in Mexico

MEXICO CITY — The government's struggle to stem corruption in the police has suffered a major setback with the rioting of more than 200 graduates of a police training program. Dozens were injured and at least 17 arrested in the riots on Thursday. The graduates of a course on discipline were protesting an anti-corruption measure. *(LAT)*

China Warns U.S. On Backing Taiwan

BEIJING — President Jiang Zemin on Friday warned the United States against backing Taiwan, saying it was "the most important and sensitive issue in Sino-U.S. relations."

"If the Taiwan question is not handled properly, Sino-U.S. relations will experience twists and turns," Mr. Jiang told Cable News Network. *(Reuters)*

North Korea Claims 1965 U.S. Defector

WASHINGTON — North Korea has announced that an American who deserted his U.S. Army post in South Korea in 1965 is living in the North, the man's sister said.

Pat Harrell of North Carolina said government officials from North Korea told her that her brother, Charles Robert Jenkins, was healthy and had a North Korean wife. *(AP)*

For the Record

An envoy of the UN secretary-general met with the Burmese opposition leader, Daw Aung San Suu Kyi, in Rangoon on Friday to encourage talks between the opposition and the government. *(AP)*

Prime Minister Ryutaro Hashimoto of Japan left Friday for Peru to thank President Alberto Fujimori for ending the hostage crisis. *(AP)*

BOOKS

THE PERFECT VEHICLE
What It Is About Motorcycles

By Melissa Holbrook Pierson. 240 pages. $24. Norton.

Reviewed by Jonathan Yardley

THE literature of motorcycling is thin, which on the whole probably is as it should be, but it was inevitable that sooner or later a member of the New York journalistic illuminati would attempt to approach the subject in a manner agreeable to the chattering classes. This has now happened, with the publication of "The Perfect Vehicle." The only real surprise is that its author is a woman.

This is not to disparage Melissa Holbrook Pierson, who seems on the evidence of this book to be a nice person and who writes in a competent prose style. It is, rather, simply to point out that there is more taking place here than the mere celebration of motorcycles and those who love them. As is common when the higher journalism is practiced these days, Pierson is staking out a piece of territory for herself, laying claim to her own corner of American popular culture and practicing her own version of — pardon the repellent vogue word — iconography.

This is a difficult act to pull off. To begin with, the writer must make interesting to an educated readership a subject that is likely to interest it little, if at all; this, in her explorations of motorcycles, their past and their following, Pierson does fairly well. Then the writer must make herself every bit as interesting, since the connection between herself and her subject is the real business of her book: at this Pierson is less successful, for her personal narrative is disjointed and unengaging. Finally, the writer must make a case for her subject's larger importance, à la all those journalists and lower-echelon academics who do cartwheels over Elvis Presley; here Pierson achieves a mixed success, persuasively arguing that motorcycles are part of the larger theme of American fascination with speed, power and mobility, but failing to bring off her premise that the motorcycle is "the perfect vehicle."

Pierson, a free-lance writer, came to motorcycling through a boyfriend, one of several men who pass through this chronicle before Pierson finds herself happily married. She had what she now sees as "the prerequisites" for cycling: "a love of speed for its own sake, the need for constant movement, and the desire to be different, or at least to be seen that way — perhaps to be seen in the first place."

On the one hand Pierson is fairly convincing as she recounts the tough conditions under which she has ridden, the condescension with which female bikers are routinely dismissed, and her determined efforts to prove that she belongs on a bike as much as anyone else. To her credit, she doesn't try to pass herself off as a Hell's Angel or even as a competent mechanic.

On the other hand, though she chides herself for writing "a rhapsody," she cannot resist the temptation to wax poetic — especially in the quite off-putting foreword — and she is given, as so many are these days, to the rash pursuit of larger meaning. Thus, one must suffer through an analysis of how "a motorcycle becomes an extension of yourself, your body and faculties and hopes and pathologies."

What we find in "The Perfect Vehicle," then, falls somewhere between an unaffected celebration of motorcycling and an exercise in slumming. Inasmuch as this usually happens when the white-collar classes take a blue-collar turn, there is nothing surprising about it. Still, for a brief moment there was the hope that "The Perfect Vehicle" would do more than merely conform to stereotype.

Jonathan Yardley is on the staff of The Washington Post.

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HONG KONG: *U.S. Is Urged to Back Off*

Continued from Page 1

no comfort in the proposition that if China reduces their freedoms the United States will take away their jobs." Mr. Patten wrote to Representative David Dreier, Republican of California. A nearly identical letter was sent to Mr. Gingrich, said sources familiar with the notes.

Mr. Gingrich said on April 30 that a six-month extension of China's most-favored-nation trading status would be an "appropriate" way to underscore U.S. concerns that China permit Hong Kong to maintain its freewheeling way of life.

The United States has granted China one-year extensions in the past, and the Clinton administration says it will insist upon the same this year.

The April statement was part of an effort by Mr. Gingrich to show that he was willing to be tougher than the administration on the issue of human rights in China.

Senator Connie Mack, Republican of Florida, has called for extending China's most-favored-nation status for just three months, and Representative John Boehner, Republican of Ohio, has been developing a proposal for a six-month renewal. Any further extension would be contingent on a determination by President Bill Clinton that China has kept its commitments to preserve rights in Hong Kong.

But Republican leaders are reassessing their stance, because of the complaints from Hong Kong and similar objections from U.S. business executives.

The proposals for shorter most-favored-trade extensions "are history," predicted Mr. Dreier. "This letter from Patten pretty well takes the wind out of the sails of those who believe that a shortened time frame for MFN would be beneficial to Hong Kong," he said.

And earlier this week, Representative Doug Bereuter, a Nebraska Republican who is chairman of an international relations subcommittee on Asia and the Pacific, said he believed the short trading extensions "probably won't even be offered."

The issue is politically delicate for the Republicans. They must balance calls from U.S. corporations for stability in trade with China against protests from social and religious conservatives, who oppose continued economic relations with Beijing because of its record of human rights abuses.

Hong Kong business executives and government officials visiting Washington this week expressed sentiments similar to Mr. Patten's.

At a dinner Monday night attended by several members of the House and Senate, Denise Yue, Hong Kong's secretary for trade and industry, said that Hong Kong's community was unanimous in opposing anything short of a full year's most-favored-nation trade extension.

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Meeting Point

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Maronite Catholics Await the Pope in a Lebanon Still Divided by Faith

By Douglas Jehl
New York Times Service

HARISSA, Lebanon — On this mountaintop high above the Mediterranean Sea, the beatific gaze of Our Lady of Harissa stands as an emblem of the special bond that has long linked part of Lebanon to Rome.

In the early 16th century, Pope Leo X described the Maronite Catholics of Lebanon as "a rose among the thorns," and now they are awaiting a visit by Pope John Paul II on Saturday and Sunday.

These are anxious days for Lebanon's Christians, now less powerful and privileged than at any time since the country was created. After so many years in which Lebanon was riven by Christian-Muslim civil war, the Pope is expected to hail its spirit of reconciliation. But there remain many Christians who fear that much of what made Lebanon unique is slowly being eroded.

"All Christians are frustrated," Bishop George Khodr of the Greek Orthodox Church said of the angst felt by a people who by convention and constitution are still guaranteed a central role in Lebanese society but who feel more and more that they have been shunted toward the margins.

A similar frustration on the part of Christians played a large part in the outbreak of the civil war, which began in 1975 with escalating violence between Christians and Muslims. This was when it had become apparent to all that the Christians' parliamentary majority, which had until then been guaranteed under the country's constitution, was no longer sustainable in fact.

Under the agreement that ended the war in 1990, Christians now hold exactly half the seats in the 108-member Parliament and have a permanent claim on the country's presidency. The rest of the legislative body and the country's top posts are divided between Sunni and Shiite Muslims.

But as everyone recognizes, that arrangement is an artifice, obscuring the fact that the Christians have become a small and shrinking minority, with a population now estimated at no more than 30 percent of the nation's 4 million people.

The last census here was taken in 1939, and the fact that none has been taken since is a reflection of just how delicate the question of the religious balance remains. But the Christians since the civil war have turned largely quiescent, perhaps in recognition of the degree to which emigration and variances in birth rates have turned that balance ever more in favor of their historic rivals.

Already, under postwar constitutional changes that have shifted executive power from the president, a Christian, to the prime minister, a Sunni Muslim, most Christians believe that the deck is stacked against them.

Many of them boycotted the parliamentary elections of 1994 and 1997, so that the deputies who fill the Christian seats are seen by almost no one as representative.

Even the 76-year-old Maronite patriarch, Nasrallah Cardinal Sfeir, has been outspoken in referring to the elections as a "sham" and in expressing hope that the Pope might use his visit to register a protest against the dominant role that Syria and its 35,000 troops exercise with the acquiescence of the government.

"All the people here hope he'll say something abut the situation," Cardinal Sfeir said. "The country has a right to be sovereign and independent, and actually it is not sovereign and independent. All is controlled by Syria, except for the portion that is occupied by Israel."

Among many Christians, those concerns have intensified since December, when about 200 people were detained after gunmen in the predominantly Christian quarter of Beirut opened fire on a van carrying Syrian workers. Nearly all of those arrested were Christians, including a prominent human rights advocate, a journalist and several figures believed to be close to Michel Aoun, a general who was forced into exile by Syrian forces in 1991.

Adding to the tension has been the establishment in November by Mr. Aoun and two other prominent Maronites, Dori Chamoun and former President Amin Gemayel, of what they called a national gathering aimed at rallying the Lebanese people against the current government, headed by Prime Minister Rafik Hariri.

The Vatican has expressed opposition to the presence of the Syrian and Israeli troops, but the Pope has signaled that he intends to use the visit to appeal for unity, calling on all Lebanese to "conquer divisions" left by the 15-year civil war, in which more than 150,000 people were killed.

The visit is scheduled to include meetings with top Christian and Muslim leaders and a prayer service at Our Lady of Lebanon Church in Harissa, whose statue of the Virgin Mary is a favorite destination of pilgrims who come to light candles at its base, nearly 2,000 feet above the sea.

The culmination of the trip is to be the celebration of an outdoor Mass on Sunday morning before a crowd of worshipers that is expected to number 250,000 at a site near the heart of Beirut's biggest rebuilding project.

The visit is being welcomed across the broad spectrum of society here, from Mr. Hariri, who traveled to the Vatican to help arrange the trip, to such militants as Sheikh Mohammed Hussein Fadlallah, the Shiite Muslim who is widely considered the spiritual leader of Hezbollah, the Iranian-backed organization. Even the militants do not want to be seen as opponents of reconciliation.

A previous visit planned for May 1994 was canceled after the bombing three months earlier of a Maronite church near Beirut that killed 11 worshipers and wounded 59. It was later attributed to Samir Geagea, a former Maronite militia leader in what a Lebanese court said was a product of rivalries among Christians.

Mr. Geagea is serving a life sentence in prison for the bombing and other crimes, but many Maronites still view him as a scapegoat, so the horror of the episode is tangled in many memories with the view that the government is persecuting Christians who took part in the civil war.

[A court in Beirut on Friday sentenced Mr. Geagea to death for the attempted murder of a government minister, but immediately commuted the sentence to life imprisonment, Reuters reported.

[The court ruled that Mr. Geagea had ordered the attempted assassination in 1991 of Michel al Murr, then the defense minister and now Lebanon's interior minister and deputy prime minister.]

Suspicion has kept Christians and Muslims in Lebanon living far more separately today than at the outbreak of the war. Few Christians have returned to the once-mixed villages in the Shuf Mountains that are now populated almost exclusively by Druze, while the opposite has happened in the region of Mount Lebanon, now almost exclusively a Christian stronghold.

A UN Finding of Torture

Israel Is Violating Convention, Panel Says

Compiled by Our Staff From Dispatches

GENEVA — The UN Committee Against Torture called Friday for an immediate end to Israel's use of "moderate" physical pressure against Palestinian detainees.

The committee said that prolonged sleep deprivation, loud music, death threats, violent shaking and other interrogation methods used by Israel constituted torture.

"This conclusion is particularly evident where such methods of interrogation are used in combination, which appears to be the standard case," said Peter Thomas Burns, the committee member specializing in Israeli affairs, in reading the committee's conclusions.

Israel contends that the use of what it calls moderate physical pressure is justified in exceptional circumstances to obtain information that could be used to prevent terrorist attacks. The Israeli Supreme Court has upheld this position.

But Mr. Burns noted that Israel had ratified the 1984 UN Convention Against Torture and that it was therefore "precluded from raising before this committee exceptional circumstances as justification for acts prohibited by Article 1 of the convention." Israel ratified the convention in 1991.

Nongovernmental organizations have said that the pressure applied to detainees includes sleep deprivation for prolonged periods; threats, including death threats; restraint in very painful conditions; violent shaking, and using cold air to chill. The committee said that, as these reports had been neither confirmed nor denied by Israel, it would "assume them to be accurate."

The committee's finding, however, elicited fierce protests from Israeli authorities. "It is absolutely not the case that Israel uses torture or any method tantamount thereto while interrogating suspected terrorists," a government statement said.

It said the "assumption" by the committee "of systematic use of inadmissible methods by Israel was totally unfounded." It said the findings had been based on hearsay evidence and called it "regrettable that such evidence has been preferred over the authoritative testimony of the government of Israel." *(AFP, AP)*

Nayef Hashoom/Reuters

HEBRON ON ROCKS — A Palestinian youth walking by as an Israeli soldier took aim at stone-throwers in Hebron on Friday. Witnesses said three Palestinians were wounded by rubber bullets. The clashes began when hundreds of Arab youths stoned troops from the Palestinian-controlled sector of the city.

SWISS: *Voices From 1946 Echo in the U.S. Debate on Gold Accord*

Continued from Page 1

a debate within the Clinton administration that echoes the disputes that broke out a half-century ago.

At that time, the Treasury wanted to freeze Swiss assets in the United States and to threaten economic sanctions if Switzerland failed to return hundreds of millions of dollars of looted gold, stolen art and Nazi industrial properties that were falsely being operated as Swiss firms.

It was overruled. The State Department won the day, warning that sanctions were the equivalent of economic war and that Switzerland would react badly to "being bullied by the greatest power in the world."

Today, the divisions are far blurrier. The Treasury, portrayed by government historians as the hero of the 1946 argument, will not declare publicly whether it will stick to the same hard-line position and be willing to freeze part of the $86 billion in public and private funds that Switzerland invests in the United States. That excludes Swiss investments in factories and other businesses. But one senior administration official marveled the other day: "It's the same conversation.

"It's just that 50 years ago, we were worried about Nazis and Commies, and now the worry is that we want the Swiss to help root out drug dealers and money launderers. The issues are different, but the trade-offs are just the same."

Clearly the administration is hoping that no such confrontation arises. But if Switzerland fails to approve the creation of a major fund for Holocaust victims, their heirs and other humanitarian causes in a national referendum scheduled for next year, the political pressure to act clearly will rise.

The referendum's failure is a real possibility. Already, nationalists in Switzerland are arguing that the United States is attempting to blackmail the Swiss.

"On the one hand, this report will help the referendum effort because it puts out the facts," said Thomas Borer, Switzerland's envoy on the Nazi gold issue, who is pleading his country's cause here this week.

"But over time, it may engender a lot of negative feeling, especially from those who say this is just an attack on Switzerland.

"When does it stop? When do we say simply that we reached agreement in 1946 and this will not be renegotiated?"

The issue at hand is whether to reopen the 1946 accord called the Washington Agreement. Under it, Switzerland turned over gold valued at $58 million (roughly $564 million today) to the Allies for distribution to central banks that had been looted by the Nazis.

But Switzerland still held more than $200 million — some say the figure was closer to $300 million — of gold that the Nazis had looted as they raced through Europe and then traded to the Swiss for war materiel. So the Swiss gave up only a fourth or less of the gold that the report concluded they knew had been stolen.

Under the same agreement, Switzerland was supposed to liquidate and turn over to the Allies half of the Nazis' other assets, which ranged in value from $250 million to $500 million at the time.

But Switzerland never delivered on that part of the deal.

Wiesel Rejects Post With Swiss Fund

Agence France-Presse

NEW YORK — Elie Wiesel said Friday that he had declined the post of international chairman of a Swiss fund to benefit Holocaust victims.

Mr. Wiesel, the winner of the Nobel Peace Prize in 1986 and a Romanian-born naturalized American, was chosen May 1 by the Swiss government "in recognition of his extraordinary accomplishments and his respected moral guidance," a Swiss statement said then.

"I am a teacher, a writer," Mr. Wiesel said Friday. "It is not for me to measure the suffering of people to decide how much they should be compensated."

A concentration camp survivor, Mr. Wiesel, has long fought for the rights of Holocaust victims.

Swiss banks have so far furnished the fund, established in February, with 265 million Swiss francs ($200 million).

EURO: *The Voters Get a Say in the Debate*

Continued from Page 1

currency. John Redwood, the militant Euroskeptic and candidate to succeed John Major as party leader, is a symbol of the continuing reluctance of many Britons to give up the pound sterling.

Yet the coincidence of various elections across Europe means that in place of the previous top-down approach to the euro, which left little room for the voices of citizens, a public debate has been engaged between supporters and opponents of monetary union.

"The pattern that seems to be emerging," said Carl Weinberg, chief economist at High Frequency Economics in New York, "is that social welfare programs are the most vulnerable area in the quest to reduce deficits. Europe cannot afford the high level of the social safety net under the Maastricht limitations on budget deficits. One or the other has to go. And that is the political choice in these elections."

Millions of Italians will go to the polls Sunday in what are ostensibly a series of municipal elections. But the outcome could have an immediate impact on the way the government proceeds with plans for pension reform and spending cuts to qualify for Europe's single currency.

Prime Minister Prodi has repeated many times that he will resign if Italy fails to meet single currency conditions this year. But inside the governing center-left coalition, the Refounded Communists are bitterly opposed to the kind of sharp cuts in pension and health care spending that the Prodi government clearly believes are needed.

If Italy's Communists do well Sunday, even in local elections, it is quite likely that they will try to water down Mr. Prodi's austerity policies. At stake will be not only a reform of the country's bloated pension system, but also the nature of an estimated $15 billion to $20 billion of spending cuts to be contained in a 1998 budget that the government hopes to bring forward from next autumn to this summer.

In France, meanwhile, President Jacques Chirac risks seeing his large parliamentary majority sharply reduced in the elections. The vote is, in effect, about the willingness of the French to proceed with welfare reforms either before or after the birth of the euro.

The situation in France is complicated by the fact that in recent days the Socialist opposition leader, Lionel Jospin, has found himself sparring over Maastricht with his putative electoral partner, Robert Hue, the Communist leader.

Mr. Jospin, who has gained ground against Mr. Chirac in opinion polls, said his Socialist Party would impose its line on the single currency if the left wins the May 25 elections and the June 1 runoff.

Some observers suggest that neither Mr. Chirac, who is committed to the euro, nor Mr. Jospin, who has affected a slightly skeptical tone about Maastricht criteria, is telling the whole truth to the French electorate. "It is all very hypocritical here in France," said Alain Minc, an economist and commentator. "Here we have an election about Europe and the euro, but nobody dares to say it directly."

"President Chirac," Mr. Minc said, "called this election in order to make spending cuts to achieve the euro. But he doesn't dare campaign with the European flag in his hand. The left on the one hand doesn't want to give up former President Francois Mitterrand's European legacy, but on the other hand wants to be anti-European enough to win the election."

The outlook in France, Italy and Germany could confirm the worst fears of political leaders. A substantial number of voters, it appears, might respond to candidates who campaign against rolling back the welfare state or making other cuts, whether the austerity measures are couched in terms of Maastricht or not.

In Germany, for example, Chancellor Helmut Kohl has already announced he will run for re-election next year, and nobody doubts that his top priority is to make the social spending cuts and take any other steps needed to ensure that Bonn meets the criteria.

But Mr. Kohl and his finance minister, Theo Waigel, will need to summon quite a bit of political courage next week, if, as seems likely, figures to be released on May 15 show that Germany is facing a shortfall in tax revenues of about 20 billion marks. (Page 11)

That number will have a great deal of bearing on the size of new social spending cuts the government will need to introduce along the road to Maastricht, and in a nation where roughly 60 percent of the public does not even want to exchange the Deutsche mark for the euro.

BUFFETT: *In Omaha, He Helped the Generous Rabbi Enter an Investor's Heaven*

Continued from Page 1

from the Buffetts. She called her and was invited over. Just like that they became friends.

That was in the early 1960s, and Mrs. Kripke was ill with a brain disorder that sapped her strength. She spent much of her time in bed, coming into the kitchen once every few weeks to prepare a backlog of meals. They were piled into the freezer. Rabbi Kripke warmed them up day by day. Once a week, Mrs. Buffett drove her new friend to physical therapy, and all four of them occasionally played bridge. The men also saw each other at the Rotary Club.

Differences about doctrine and dogma did not matter. Mrs. Buffett's father was a minister in a Disciples of Christ church in Irvington, Nebraska, where she and her sister made up most of the choir, though she is now a personal theist, with strong but nondenominational beliefs.

Mr. Buffett's parents were observant Presbyterians and he, too, sang in the choir.

Early on, though, he became an agnostic. He avoids houses of worship. His concerns are entirely secular. "The nice thing about an agnostic is you don't think anybody is wrong," Mr. Buffett said.

What attracted Mr. Buffett to the rabbi? "He's a sincere guy," Mr. Buffett said. "He can be quite funny. He's quite likable."

Mr. Kripke said of Mr. Buffett: "We both lived in similar ways. We both felt that the business of life is to be decent to one another and to live with compassion and not indifference."

When they met, Mr. Buffett was moderately wealthy and was operating limited partnerships with select investors. His acumen was known in Omaha but little outside the city.

The Kripkes had inherited some money from their parents and had saved a little of their own — a total of about $65,000 — but what did they know of stocks and debentures, puts and calls, the arcana of portfolio theory? His wife told him, "Myer, invest the money with your friend Warren."

It made little difference that for Mr. Buffett's league, Rabbi Kripke's investment was on the meager side. "I wanted people who, if it went bad, we could still be friends," the investor said.

Over the years, as his stake swelled, Mr. Kripke was never the hectoring client. "He never asked me, 'Why didn't we do better last year?' or, 'How are we going to do this year?'" Mr. Buffett said.

Mr. Kripke retired in 1975. Since then, he has been teaching at Creighton University, the Jesuit school in Omaha, and he writes a weekly column for the local Jewish newspaper.

Across 30 years, except for a few withdrawals to make charitable contributions, the Kripkes kept their savings with Mr. Buffett.

Early on, the limited partnership they had set up was terminated and the rabbi's stake was converted into shares of Berkshire Hathaway, the investment company run by Mr. Buffet, which has risen in value in unheard-of fashion.

The world came to know Mr. Buffett as arguably the most storied investor of all time. The rabbi did all right, too. By last year, his shares were worth $25 million.

He had no personal use for it. He has never owned any property, and he very much liked living in a three-bedroom apartment he rented for $900 a month in the Richland Park development in western Omaha.

Having entered his 80s, the rabbi felt it was time to put his affairs in order. His wife's condition deteriorated last year and she had to be moved to a nursing home. Both felt a debt to the Jewish Theological Seminary.

About a year ago, Mr. Kripke called the seminary and spoke with Rabbi Carol Davidson, the director of planned giving.

Last September, Rabbi Davidson sat at the table in Mr. Kripke's den in Omaha. She suggested he do something he could enjoy in his lifetime — for instance, finance the repair of the seminary's 13-story tower.

It was the mainstay of the entrance to the seminary but had stood in ruin since an inexplicable fire raced through it in 1966. Mr. Kripke remembered the tower fondly. It housed the library when he was a seminary student.

"How much would it cost?" he asked.

"Seven million dollars," she said.

He looked at his wife, and said, "Dorothy, would you like to do it?"

She said yes.

He turned to Rabbi Davidson, and said, "We'd like to do it."

The seminary received the gift in December, and restoration of the tower is expected to begin this summer and be completed in a few months.

The seminary is also the beneficiary of some trusts it helped the rabbi set up, which will mean additional millions.

Ultimately, the Kripkes plan to give the rest of their money to various other charities, including the Beth El Synagogue.

The Buffetts and the Kripkes don't see so much of each other any more. When Mr. Kripke called Mr. Buffett to say he wanted to come see him and tell him about the gift, he had to settle for chatting on the phone.

Mr. Buffett found nothing unusual in the destination of the money he had made for the rabbi. "I thought it was quite terrific," he said. "It's quite in keeping with the family."

To Mr. Kripke, it was just one of those things. "Most people would have considered putting everything into one investment stupid," he said of that decision 30 years ago. "I guess it was stupid. It was chance, just chance."

The New York Times

Rabbi Myer Kripke and his wife, Dorothy, in a 1989 photograph.

ZAIRE: *Mobutu Fails to Return Home From Gabon, Fueling Speculation He Will Quit*

Continued from Page 1

resolute backer, had also reached that decision. Marshal Mobutu's family members, nearly all of whom have already fled Zaire, are also thought to have reached the conclusion that it would be best for Marshal Mobutu not to return.

Meanwhile, the rebel forces continued their advance on the capital. They have now taken the town of Bandundu, 225 kilometers northwest of Kinshasa. The rebels, who have conquered more than three-quarters of the country in seven months, are likely to use the airport in Bandundu to bring in more troops from the west before a final assault on the capital, a Western military analyst said.

From Bandundu, the analyst continued, rebel forces would also be able to march south and maneuver behind Zairian government units who are engaged in combat with rebel forces advancing from Kenge in the east.

While Mr. Kabila seems almost certain to come to power, probably within the next two weeks, Western diplomats say, new concerns arose Friday about his commitment to democracy and human rights.

In Geneva, the United Nations accused the rebels of blocking an investigation of alleged massacres of Rwandan Hutu refugees in eastern Zaire last month. Many of the Zairian rebels are Tutsi. In 1994, Hutu in Rwanda committed genocide against the Tutsi minority, killing up to a million Tutsi and moderate Hutu.

The UN said in a statement that the rebels were not allowing UN investigators and forensic experts to the sites of alleged mass graves. A special UN commission was set up after reports that up to 50,000 Hutu refugees had been killed by the rebels.

More than 40,000 Hutu refugees, who have tried to escape the rebel forces, are now trapped in western Zaire, along the Congo River border with Congo, officials from the International Committee of the Red Cross and the Belgian branch of Doctors Without Borders said in Kinshasa. Many of the refugees died during weeks of walking through the Zairian jungle, the relief workers said.

The surviving refugees, who are gathered in an area around the town of Mbandaka, north of Kinshasa, are suffering from severe malnutrition and vitamin deficiency, which are causing blindness.

Relief organizations have been unable to reach the refugees with food and medicine because of the security situation. Retreating Zairian government soldiers, themselves in desperate straits, have been looting towns and villages as they come down the Congo River, relief workers said.

The rebels received a substantial economic and political boost Friday when a Canadian mining company, Tenke Mining Corp., paid $50 million for the rights to mine copper and cobalt, The Associated Press reported from Lubumbashi.

Tenke, which had originally signed a contract with Marshal Mobutu's government, concluded the agreement with the rebels last week.

American companies have also been advised to negotiate with rebels, a Western diplomat in Kinshasa said. About 30 investment bankers, including representatives from Goldman Sachs, Morgan Grenfell, and First Bank of Boston, arrived Friday in Lubumbashi to begin negotiations with the rebels, The Associated Press reported.

BRIEFLY

Japan to Guard Disputed Isles

TOKYO — Japan will step up coast guard patrols around disputed islands in the East China Sea but will stop short of deploying its navy to halt a flotilla of Taiwan and Hong Kong activists, government officers said on Friday.

Transport Minister Makoto Koga said the Maritime Safety Agency, Japan's coast guard, would forgo training drills and other scheduled events to strengthen patrols near the Senkaku Islands on May 18. Taiwan and Hong Kong activists are planning a "large-scale action" on May 18 to back Taipei's and Beijing's claim to the islands, now administered by Japan. (Reuters)

Police Graduates Riot in Mexico

MEXICO CITY — The government's struggle to stem corruption in the police has suffered a major setback with the rioting of more than 200 graduates of a police training program. Dozens were injured and at least 17 arrested in the riot on Thursday. The graduates of a course on discipline were protesting an anti-corruption measure. (AP)

China Warns U.S. On Backing Taiwan

BEIJING — President Jiang Zemin on Friday warned the United States against backing Taiwan, saying it was "the most important and sensitive issue in Sino-U.S. relations."

"If the Taiwan question is not handled properly, Sino-U.S. relations will experience twists and turns," Mr. Jiang told Cable News Network. (Reuters)

North Korea Claims 1965 U.S. Defector

WASHINGTON — North Korea has returned to an American who defected to the U.S. Army post in South Korea in 1965, living in the North, the man's sister said.

Pat Hamilton of North Carolina said government officials from North Korea told her that her brother, Charles Robert Jenkins, who had defected while on guard duty at the border between the two countries, and his North Korean wife of

For the Record

An envoy of the UN secretary-general met with the Burmese pro-democracy leader Daw Aung San Suu Kyi in Rangoon on Friday to exchange views on the upcoming elections and the government's ... (Reuters)

Prime Minister Ryutaro Hashimoto made a surprise visit Friday to Tehran, the first ... Iran ... Ayatollah Ali Khamenei ... (AP)

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Nothing Justifies Torture

No democracy is as stalked by terrorism as Israel. Because of that threat, Israeli law allows its security service to use what it calls "a moderate measure of physical pressure" when interrogating Palestinians. These measures, which include violent shaking and hanging shackled prisoners in painful positions, clearly come under the definition of torture in the international conventions that Israel has signed. Israel must vigorously protect its security, but not by the use of torture.

Israel's General Security Service, the Shin Bet, has long used violence during interrogations, though the practice has been legal only since 1987. According to Israeli human rights organizations, in recent years about 5,000 Palestinians have been subjected to violence in detention annually. The Israeli government maintains that its methods do not amount to torture.

Shin Bet officials say the use of physical pressure has helped prevent some terrorist attacks. That may be true. But torture often produces unreliable information because victims are likely to tell torturers whatever will get them to stop. In other countries, torture is used to intimidate and break the opposition. That may be true in Israel. Human rights groups claim that 80 percent of the Palestinians who are tortured are never indicted for a crime.

Americans, who do not suffer the emotional pressure and constant fear of terrorist attack, should be cautious about advising Israelis on this matter. Still, torture is such a basic violation of human rights that nothing justifies its use. The torture of dissident writers and common thieves is clearly wrong. The message of the international conventions against torture is that the state may not torture terrorists or prisoners of war either.

Israel is joined in the use of torture by most of the world's nations. Among them are its neighbors, some of whom have made severe torture routine. If anything, that is reason for Israel to stand apart. As a democracy and a nation of principles, Israel must follow a different code of conduct. The character of a country is determined in some measure by how it treats its enemies and prisoners. Israel harms its international stature by torturing its foes.

—THE NEW YORK TIMES.

Arrest the Criminal Chiefs of Republika Srpska

By Anthony Lewis

BOSTON — It is as if the Nuremberg tribunal after World War II had found a German soldier guilty of war crimes while the Nazi leaders who directed the Holocaust went free — and continued to control half of Germany.

That, by analogy, is the case of Dusan Tadic, convicted by the International War Crimes Tribunal for the Former Yugoslavia for what he did as a paramilitary in the Serbian onslaught in Bosnia. It was the first trial of its kind since Nuremberg, a historic step toward holding war criminals accountable for their atrocities. But the surrounding realities gave it a bitter aftertaste.

The Yugoslav tribunal has indicted 74 men, most of them Serbs, but only 8 are in custody. Authorities in Serbia and the Serbian sector of Bosnia have refused to hand over suspects. And the NATO allies with military forces in Bosnia have so far done nothing to bring them to book.

The most important indictees are Radovan Karadzic, who as political leader of the Bosnian Serbs directed their genocidal campaign of "ethnic cleansing," and General Ratko Mladic, who as military commander carried it out. Both are at large in Republika Srpska, the Serbian half of Bosnia.

The failure to arrest Mr. Karadzic and General Mladic is not only a moral blot and a crippling blow to the credibility of the war crimes tribunal. It is a failure with menacing consequences for the United States and its allies. It puts into question their ability to withdraw forces from Bosnia with any confidence in continued peace.

Mr. Karadzic, though barred from office under the Dayton peace accords, is running Republika Srpska from behind the scenes: not far behind, indeed, because his hand has become increasingly obvious in recent months. He is blocking efforts to carry out the civilian clauses of the accords, which were designed to knit Bosnia back together.

Thus only about 250,000 of the estimated 2.5 million displaced Bosnians have been able to return to their homes, a right assured by Dayton. Republika Srpska has signed a customs agreement with Serbia, in violation of Dayton. It has a separate telephone system that makes it hard to talk to the rest of Bosnia.

The International Crisis Group, a well-informed private organization, concluded last month that "prospects look bleak for Bosnia staying together."

The Clinton administration has promised to withdraw by mid-1998 the 8,600 U.S. troops that are part of the Stabilization Force in Bosnia.

European countries will not keep their troops there without the Americans.

But if international forces leave before there is real implementation of Dayton's political provisions, most experts think bloody fighting will break out again. That would be a disaster for the reputation of the United States and its allies. At the very moment that we are trying to enlarge NATO, it will have failed a crucial test. If we want to avoid that result, we have to be serious about implementing Dayton. Arrest of the major war criminals is crucial.

The elected president of Republika Srpska, Biljana Plavsic, has actually shown a desire to work broadly within Dayton; but she has been overridden by Mr. Karadzic and his men.

A Clinton administration official put it bluntly: "Apart from justice and morality, the presence of Karadzic is a menace to Dayton."

The administration has talked about forming a special police unit to arrest war criminals. Where that stands is uncertain, but a policy review is going on now.

Anyone who does not know why we should care about Bosnia — and why we need to bring accused war criminals before the tribunal — should read a new book. It is "End Game," by David Rohde, who reported in The Christian Science Monitor on finding mass graves of the Muslims slaughtered by General Mladic and his men after they seized the supposed UN safe area of Srebrenica in June 1995.

"End Game" tells the shameful story of how United Nations representatives and military commanders slithered out of the pledge to protect Srebrenica.

It tells about General Bernard Janvier and Yasushi Akashi, the chief UN representative, meeting President Slobodan Milosevic of Serbia at a hunting lodge of his a month after the Srebrenica massacre. When Mr. Milosevic said no hunting was allowed near the lodge, Mr. Akashi joked, "a safe area for animals." Everyone laughed.

The New York Times.

Tainted Gold

The chapter now being belatedly added to the history of World War II is tawdry. It centers on Switzerland but touches a dozen other European countries similarly accustomed to thinking of themselves as repositories of the West's higher values. The chapter is about "Nazi gold," meaning the huge government and individual assets that Hitler Germany looted and sent to Switzerland and elsewhere in order to prosecute its mad war. With the ending of the Cold War, the opening of new archives and the agitation of the World Jewish Congress and Senator Alfonse D'Amato, the story was already seeping into international consciousness. With release of the massively researched U.S. government report assembled by Undersecretary of State Stuart Eizenstat and the State Department historian William Slany, the terrible truth no longer can be ignored.

The heart of it is that the Swiss were the "principal bankers and financial brokers" for the Nazi war machine. From Germany they received gold with a 1997 value in the billions of dollars — some of it stolen from central banks, some from individuals, "at least a small portion" of it (although evidence is lacking that the Swiss knew so at the time) smelted from the rings and gold teeth of death camp victims. Thereby the Swiss enabled Germany to arrange the credit and to purchase the arms, tools and other vital material that let it prolong a war that otherwise might have abated, and kill people who otherwise might have lived — soldiers by the hundreds of thousands, civilians by the millions. And when at war's end the time came to restore the loot to its rightful owners or their heirs, the Swiss succeeded at the negotiating table in limiting their further obligations; to this day they hold on to the lion's share.

In recent months, as events left unexamined for 50 years began to be illuminated, the Swiss authorities came alert and took two tacks. One was to crank up handsome compensation and research commissions to get straight, or straighter, with the victims of past policy and with the emerging historical record. Here it will be interesting to see if the Swiss electorate ratifies, in a forthcoming referendum, the high-end compensation proposal that will be put before them.

The other initiative was to spread the claim that wartime duress gave Switzerland no reasonable choice but to bend its fabled "neutrality" to German uses. No one can doubt that duress was tremendous. The commission, however, lists a broader range of possible considerations among Europe's neutrals, including a quest for profit and "outright Nazi sympathy." Switzerland's defense would be substantially easier to credit if it had reduced its cooperation when the tide of war turned against Germany in the battle of Stalingrad in early 1943 and if it had been prompt, unbidden and generous in returning the Nazi gold after the war.

The new report does not spare the American government for its seeming distraction from the postwar pursuit of Nazi gold in Switzerland and in some of the other profiting neutrals, among them Sweden, Spain and Portugal. Then-Acting Secretary of State Dean Acheson said he had found "no reasonable evidence that Switzerland had purchased $300 million [nearly $3 billion in current value] of gold looted by Germany," despite what the report calls "government assurances to the contrary."

This impressive report suggests it is not too late to take up the unfinished business of the war. This requires governments holding Nazi gold to use it to compensate the lingering and until-now largely uncompensated victims of the war in the formerly Communist East. It further requires the neutrals to probe their wartime and postwar engagement in the Nazi gold shame.

—THE WASHINGTON POST.

Reno's Refusal

According to numerous news accounts, the head of the Federal Bureau of Investigation, Louis Freeh, has given Attorney General Janet Reno some sound advice for carrying out her duty in the White House fund-raising scandals. Unfortunately, Ms. Reno still refuses to heed it, despite the mounting damage to the Justice Department's reputation and her own.

Mr. Freeh has urged Ms. Reno to seek the appointment of an independent counsel to conduct the investigation into possibly corrupt fund-raising practices in President Bill Clinton's 1996 reelection drive. He cited the gravity and sprawling nature of the case, plus early evidence pointing to high-level White House involvement. In addition to offering this wise counsel, the FBI director has just shown his concern about the widening campaign-finance inquiry by more than doubling the number of bureau employees assigned to it.

Of course, Mr. Freeh's agency faces its own problems, and in advising the attorney general of the need for an independent counsel, he was only relaying what has been apparent for months now, and not just to Republican partisans in Congress. Still, it is reassuring to know that at least someone high up in the Justice Department understands the serious nature and sensitivity of the fund-raising mess and the unavoidable conflict of interest it has created for Ms. Reno and the department.

Less reassuring is Ms. Reno's response. In defending her refusal to seek an independent counsel, she has expressed confidence in the expertise and judgment of law enforcement professionals within the Justice Department's criminal division. These professionals have argued against shifting the investigation from their control to an outside prosecutor, based on a dubious reading of the known evidence and the applicable campaign-finance laws. Now it turns out that Mr. Freeh, one of the nation's highest-ranking law enforcement officials, has been offering precisely the opposite advice.

Thursday Ms. Reno tried to downplay the significance of this conflict within her department. But she has yet to give a convincing explanation of why she has chosen to reject Mr. Freeh's counsel.

—THE NEW YORK TIMES.

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Ask North Korean Defector About Those Counterfeit Dollars

By John K. Cooley

NICOSIA — The U.S. Treasury Department and a number of Pacific Rim governments will probably want to talk to North Korea's latest and most senior defector, Hwang Jang Yop, about forged American money.

Banks, money changers, shopkeepers and American and other tourists have been plagued by the ubiquitous, near-perfect counterfeit $100 and sometimes $50 bills, often called Supernotes, since the 1980s.

The first state culprit identified by U.S. Republican congressional task force sleuths and a few investigative reporters in the early and mid-1990s was Iran. Before his fall, the shah bought two intaglio printing presses, the kind the U.S. Bureau of Engraving and Printing uses to print U.S. currency. The Ayatollah Ruhollah Khomeini's revolutionaries inherited them in 1979.

More recently, North Korea, China and even the Russian mafia have become suspects. Mr. Hwang, heavily guarded for his own safety in Seoul, should be able to speak to what some law enforcement officials and bankers accept as the truth about the Pyongyang regime.

Long before media publicity about Supernotes began, local police and the U.S. Secret Service in Singapore identified a superior-quality $100 forgery. This was in July 1983. According to Counterfeits and Forgeries Review — an Interpol publication — it was one of the first-ever found to be printed in authentic magnetic ink and mostly by an intaglio press, which forces the ink into the paper under terrific pressure. This gives real U.S. greenbacks their raised or embossed look and touch.

Only a few details gave the bogus bill away: Security fibers in a normal U.S. banknote were faked by fine, printed red and blue lines. Some tiny, misplaced dots and splotches also marred the printing.

The notes of the type identified in Singapore also turned up in Australia, Hong Kong and other Far Eastern locations, as well as in the Mideast, Europe and Canada.

Then, in 1988, Kim Chong Min, president of North Korea's government Taeyang Trading Co., defected to South Korea. He disclosed that Pyongyang sought, and had ordered him to obtain, large quantities of both real and false U.S. dollars, to subvert South Korea's booming economy and to pay traders for needed food and other commodities.

That North Korea, already close to mass malnutrition if not starvation, was indeed distributing high-quality U.S. counterfeits was shown dramatically in June 1994. Bank officers at the Hong Kong branch of New York's Republic National Bank found that much of $280,000 in $100 bills just purchased from the Asia Delta Bank in the nearby Portuguese colony of Macao was forged, according to news reports.

Asia Delta clerks found an additional $78,000 in Supernotes in their vaults. They traced the bills to accounts opened by North Korea's Zokwang Trading Co., and another firm that Pyongyang managed in Macao.

U.S. Secret Service agents learned that the phony cash had arrived in the Portuguese enclave from the North Korean trade missions in Guangzhou and Zhuhai, China. Subsequently, Japanese police arrested four Japanese businessmen as they tried to spend bogus U.S. money they said they had obtained from a bank in Zhuhai.

Then, in March 1996, Thai police in Bangkok captured a former Japanese Red Army courier carrying a huge sum in intaglio-printed Supernotes, according to a Newsweek Asia edition cover story. The Japanese and several accomplices had been living for long periods in asylum in North Korea.

Since 1994, casinos in the United States have been carefully vetting their intake of $100 and $50 bills. That year, three Vietnamese high rollers flooded poker tables with Supernotes at Harrah's Casino and Hotel at Lake Tahoe, according to news reports.

Treasury agents and police found a quantity of Supernotes in a duffel bag belonging to one of the gamblers; the fake cash apparently had been brought in from Canada, according to an intelligence report from the Royal Canadian Mounted Police.

More recently, and more seriously, Supernotes — reportedly including a few copies of the new $100 bill released by the Treasury in March 1996 to foil counterfeiters — began appearing in Russia and the former states of Soviet Central Asia. Their appearance, according to Russian media reports never confirmed by the U.S. government, practically coincided with the issue of the genuine banknotes by the Bureau of Engraving and Printing in the United States and their circulation by the U.S. Federal Reserve System.

Clearly there is a problem. Hwang Jang Yop is said to be the highest-ranking North Korean ever to seek safety in Seoul. Wouldn't it be appropriate to ask him about what may be one of the biggest and most persistent state counterfeiting rackets in history?

The writer, an ABC News correspondent and author based in Cyprus, contributed this comment to the International Herald Tribune.

Only Good Intentions: Taking Responsibility for the Results

By Flora Lewis

PARIS — When he was secretary-general of the United Nations, Boutros Boutros Ghali said there were 16 members of the Security Council — 15 states plus CNN, whose decision on which bloody massacres, which skin-and-bones children to focus its cameras on often set the agenda.

Humanitarian aid, when and how to deliver it, has inevitably become an international political problem. This was not the intention of those who set up the programs of international and private relief organizations. Even national governments accepted that assistance to civilians in dire need should not reflect political interests, indeed that it is in the interest of modern states to respond to human emergencies regardless of other calculations.

J. Brian Atwood, administrator of the U.S. Agency for International Development, recalls that "a hungry child knows no politics" was the slogan adopted to rally American support to send food to starving Ethiopians, despite the communist regime, in the early 1980s. But now, he says, that isn't an adequate guide for aid decisions.

Developments have shown that relief can be turned into a political tool, a sinister weapon, that perpetuates the very crises it is intended to resolve. Would the war in Bosnia have gone on nearly five years — leaving that country even now on the brink of further war once NATO troops depart — if not for foreign aid?

There is a consensus among those involved that food for Rwandan refugees in Zaire, which cost $1 million a day for more than two years until the camps were disbanded at the approach of rebel forces, served the nefarious purposes of the Hutu fighters who had committed genocide. Doctors Without Borders pulled out in disgust.

Sadako Ogata, UN high commissioner for refugees, said she begged for help to separate the armed intimidators from the innocents, to no avail. "My staff had to continue feeding criminals as the price for feeding hundreds of thousands of innocent women and children," and relief workers themselves were endangered, she said.

Of course, the answer cannot be to ignore people's suffering, to turn off CNN or persuade it to avoid the heartrending, shocking pictures. They show the real world around us. So the answer has to be to go a step further and recognize that charity by itself isn't enough, that there has to be a policy to confront the causes as well as the results of these more and more frequent, usually man-made disasters.

Mrs. Ogata calls for "an early and rapid" military deployment capability to prevent the crises from festering. Mr. Atwood argues that more active diplomacy is needed, addressing especially the situation in rogue and failed states whose own politics or incompetence turn limited distress into vast tragedies.

A debate is gathering urgency on what to do about North Korea, whose 20 million people are menaced by famine. Very modest international food aid has been agreed on, but Mr. Atwood believes, on fair evidence, that "North Korea faces perennial hunger until there is systemic change in its economy."

These situations make it necessary to recognize that conditions have to be put if even humanitarian assistance, let alone development aid to alleviate endemic poverty, is to be effective and bring hope.

The current estimated cost of humanitarian aid is estimated at $6.5 billion a year worldwide. It does save lives, but it doesn't do its job of rescuing people in such a way that they can go on and look after themselves.

Aid conditions should be internationally endorsed so that it cannot be said that one or another donor is using them to its narrow national advantage.

To begin with, there must be assurance that aid can be delivered and properly monitored without threatening the lives of relief workers. There must be assurance that it is not used as a weapon of repression. And relief should be accompanied by serious diplomatic efforts to resolve the crisis, which does give a political tinge that Mr. Atwood points out should be seen as constructive, not self-serving.

Development aid is distinct, and yet it is linked, as the means of preventing crises. It, too, should be more conditional: attention to population explosions is needed; limits on military spending must be set; the importance of education and the role of women must be stressed; economic and financial reforms must be made.

These are not new ideas, but they would bring a change in what is meant by the world community and respect for state sovereignty. Now that the problems are on TV every day, there is an undeniable need to accept more responsibility for the results of good intentions.

© Flora Lewis

Caspian Access Is Crucial for the West

By Caspar W. Weinberger and Peter Schweizer

NEW YORK — As the West celebrates the apparent expansion of NATO into Central Europe, Russia is making a concerted bid to achieve a strategic victory of its own: dominance of the energy resources in the Caspian Sea region.

If Moscow succeeds, its victory could prove more significant than the West's success in enlarging NATO.

The stakes in the Caspian are enormous. There are reportedly up to 200 billion barrels of oil and natural gas in the region. Azerbaijan alone could produce as much as 2 million barrels a day by 2010.

Open access to the Caspian is critical if the United States is to diversify its energy sources and reduce its dangerous reliance on Middle Eastern supplies. Oil in the Caspian region is now channeled principally through pipelines to Russian Black Sea ports, and Moscow wants to keep it that way because that means it controls the flow.

At the center of the new Great Game is Moscow's effort to put the squeeze on Azerbaijan, a secular Muslim state whose president, Heydar Aliyev, once a member of the Soviet Politburo, welcomes Western investment.

Over the past few years Russia has tried to push Azerbaijan to allow Russian military bases and to join the Commonwealth of Independent States, the confederation of former Soviet republics. At the same time, Russia has given critical military aid to neighboring Armenia, allowing it to occupy 20 percent of Azerbaijan.

Most disturbing is the admission by Aman Tuleyev, a Russian government minister, that more than $1 billion in arms were shipped illegally to Armenia, apparently to be used against Azerbaijan. The Russian newspaper Nezavisimaya Gazeta reported that Armenian military experts were trained in the use of advanced rocket systems last year at a Russian missile range.

The Kremlin is also pressuring the United States to modify a new section of the Conventional Forces in Europe treaty, which sets limits on troop levels. Russia wants to place more troops in the southern tier.

Moscow has struck a strategic bargain with Iran, the other player in this drama. Iran stands to lose enormously if oil is allowed to flow freely from the Caspian. Russia has provided Tehran with nuclear-related technologies, missile components and other advanced equipment.

In June 1996, Russia and Iran issued a joint statement: "Iran and Russia should cooperate with regional states to prevent the presence" of U.S. power in the Caspian Sea.

Iran sees the Azerbaijanis as a threat because they may provoke separatist sentiment among its large ethnic Azeri population.

Azerbaijan, for its part, has pointedly denied Iran entry into the consortium of countries invited to develop oil in the Caspian Sea. The Aliyev government has also resisted Iranian demands that it terminate friendly relations with Israel.

If Russia and Iran succeed in their designs on the Caspian, they will have potential leverage over Western economies, which will be left to rely on the unstable Gulf region for oil.

But our American policy has thus far failed to reflect the strategic interests we have in the region. Armenia, which has welcomed Russian troops, has received more aid from the United States per capita than any nation but Israel. And after lobbying by Armenian-Americans, Congress made it illegal to give direct American assistance to Azerbaijan.

The Clinton administration needs to encourage closer relations with Azerbaijan and persuade Congress to change its priorities on aid.

Our long-term security interests are at stake.

Mr. Weinberger, secretary of defense from 1981 to 1987, and Mr. Schweizer, a research fellow at the Hoover Institution, are co-authors of "The Next War." They contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Uruguay Rebels

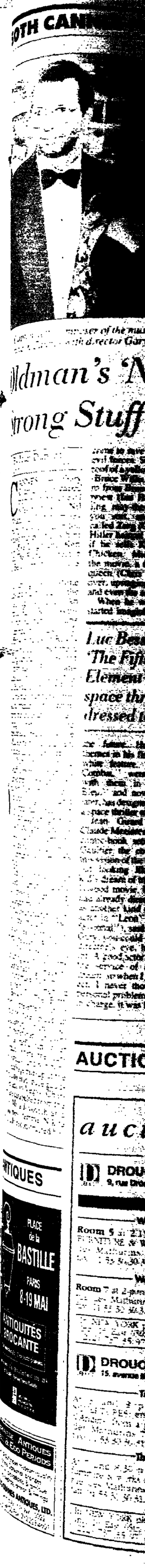
LONDON — The Times' correspondent at Buenos Ayres says Colonel Lamas, commanding the rebels in North Paysandu, is reported to have gained some advantage, capturing five field pieces from the Government troops. Throughout Uruguay, sympathy is inclined towards the rebels on account of the thoroughly corrupt manner in which the present Government conducted the elections last November, but the feeling is of a lukewarm character generally.

1922: Passion Plays

PARIS — At Oberammergau, the peasants began their public performances of the Passion Play, which they give every ten years in fulfillment of a vow made by the inhabitants of this Bavarian village in 1634. This survivance of the "mysteries" of the Middle Ages, and the morality plays which have been revived as pageants in recent years, must have its origin in the dark ages of Europe. The plays were given by the trade guilds, but the clergy often took a part in their elaboration. The performers sometimes played their rôles so fervently that accidents to the "sinners" were recorded.

1947: Anti-Red Bill

WASHINGTON — The House of Representatives passed President Truman's $400,000,000 Greek-Turkish aid bill authorizing the transfer of American arms and money to bulwark the Mediterranean countries against communism. The legislation was whooped through by a roll-call vote of 287 to 107 by a coalition of Republicans and Southern Democrats who shouted down alarmed opposition protests that passage might mean "a declaration of war on Russia."



50TH CANNES FESTIVAL

John Schults/The Associated Press

Eric Clapton, left, composer of the music for "Nil by Mouth," arriving at the screening in Cannes with director Gary Oldman and his wife, Donya Fiorentina.

Oldman's 'Nil by Mouth': Strong Stuff to Swallow

By Joan Dupont
International Herald Tribune

CANNES — Gary Oldman has escaped from his forever evil roles to make "Nil by Mouth," a first film inspired by his south London childhood that positions him beside Mike Leigh and Ken Loach. The French director Luc Besson produced the film.

Set among small-time dealers and big boozers, the movie is long on violence: An alcoholic Ray (Ray Winstone) runs rampant in pubs and terrorizes his household. The first 40 minutes of Ray's binge — played out before a lurching camera — does not go down easily. Foul language and fists fly, vulgarity and abuse hail down, for Ray is a one-man thunderstorm. Val, his pregnant wife, Janet, her mother, and Granny — all strong women — are threatened and beaten, while Michelle, the small daughter, watches and waits her turn.

"Nil by Mouth" is strong stuff, a prescription handed down from one generation to the next. When, on a night out, Granny sings "Can't help loving that man of mine," her daughter, granddaughter and great-granddaughter watch solemnly. And in the next scene, they take their man back home, to try again.

"There's a lot of my father on screen," Oldman said at a news conference. "I grew up in that neighborhood, a lot of me is in all the characters; I'm closest to the little girl." The movie also deals with codependency, he added. After 10 years in New York, and a siege battling alcoholism, the actor felt he had to go back to London and make the film.

The festival's opening film, Besson's "The Fifth Element," presented out of competition, takes place in the 23d century, which looks to be no better than our own: There's a traffic jam over Manhattan, where the cars move vertically and horizontally, a garbage pile-up at the airport, a hotel in space gaudier than any in Vegas. Characters are catapulted from the comics: Milla Jovovich as a kind of new femme Nikita genetically reconstructed has come to save the world from evil forces. She lands on the roof of a yellow cab driven by (Bruce Willis), a die-hard hero from Brooklyn. There's a priest (Ian Holm), a twinkling may-the-force-be-with-you sort, and a character called Zorg (Oldman) with a Hitler haircut who sounds as if he sells Kentucky Fried Chicken. Midway through the movie, a talk-show drag queen (Chris Tucker) takes over, upstaging the others — and even the action.

When he was 16, Besson started imagining a world of the future. He tested the themes in his first black-and-white feature, "Le Dernier Combat," went underwater with them in "Le Grand Bleu," and now, nine years later, has designed and dressed a space thriller to kill.

Luc Besson's 'The Fifth Element': A space thriller dressed to kill.

Jean Girard and Jean-Claude Mezieres supplied the comic-book sets, Jean Paul Gaultier the costumes. But this vision of the future comes out looking like a French kid's dream of making a Hollywood movie. Besson, who had already directed Oldman as another kind of evil character in "Leon" ("The Professional"), said, "Directing Gary, you could see he has a director's eye, he noticed a lot. A good actor is always at the service of a director's dream, so when I got the project, I never thought of his personal problems — he was in charge, it was his movie."

In a different vein, and set in a time of more decorum and restraint, Marco Bellocchio's adaptation of Heinrich von Kleist's "Il Principe di Homburg" ("The Prince of Homburg") burns bright. The poetic drama, full of dreams and revelations, is about a hot-blooded young prince of Homburg (Andrea Di Stefano) who disobeyed his commander, the elector of Brandenburg, and gave his cavalry premature orders to attack the enemy Swedes. His error was a problem of timing, a mistake of two minutes.

Bellochio, attracted to the psychological subtext of the play, interprets his haste as a death wish. The stern elector (Toni Bertorelli) condemns him to death. First the prince scoffs, then he crawls: He doesn't want to die. He's in love with his cousin, Princess Natalia (Barbora Bobulova), who goes to battle for him, pleads with the elector and obtains his pardon. But it's a pardon without honor and the prince cannot accept.

Those used to rapid-fire action films, may find the 89-minute drama slow-moving. Then there's the ticklish subject of German obedience to authority and military victory *uber alles*. But the director has succeeded in making it into something modern: a rigorous and pure film about the romantic hero, a man who fails at the height of his powers.

Bobulova, a Slovak actress, learned Italian for the part. Di Stefano, an Italian who trained at the Actors' Studio, plays the fiery young prince, torn between a father figure who wants his death and maturity. Bellochio examines the ambiguities with finesse, saying that "our epoch needs heroes, not sports champs or TV stars, but men who are remarkably intelligent and sensible."

ART

The Contemporary Message, at a Glance

International Herald Tribune

NEW YORK — Like a tidal wave, the market rolls on and surges, carrying on its high crest everything called art. It has now reached the point where the itch to buy is such that it triggers bidding on anything typical enough to be easily recognized or, more simply, that briefly catches the eye.

That did it for Contemporary Art this week, transforming Sotheby's lightweight sale on Tuesday into a roaring success when it could easily

SOUREN MELIKIAN

have failed, overshadowed by Christie's bigger sale due a day later. But Sotheby's took a big gamble and it came off.

Finding it apparently difficult to attract big lots, Sotheby's expert Tobias Meyer, who took up his position as international head of Contemporary Art on Jan. 1, chose to start his sale with a curious assemblage, the group of 11 works that was bought in the 1980s by a Boston cardiologist. So gripped was Dr. Bernardo Nadal-Ginard by his subject that he delved into the kitty of the Boston Children's Heart Foundation, a charity set up by doctors from Harvard Medical School with himself as its first president.

In March 1997, the cardiologist was sentenced to a one-year prison term and a court confirmed the transfer of ownership of the collection to the foundation, which dispatched it to Sotheby's.

The doctor's interest in art as reflected in the sale was peculiar. It focused on bodies, dead, mutilated, cut up, or sick. The first lot, a 1989 gouache by Robert Gober in a banal figural style, had one distinctive feature. It shows a black man's body hanging from a leafless tree, with vultures in the sky. It went flying to $39,100.

Next came a spooky sponge-like white head with holes for the eyes and the nose, dubbed "Lachmann" ("Laughing Man"), done by Gerhard Richter in 1967. At $90,500, that also exceeded all hopes. Would Bruce Nauman's "Large Butt to Butt" break the spell? Using polyurethane taxidermist molds, Nauman cast in aluminum, back to back, the butchered bodies of two greyhounds. Overwhelmed, the room ran it up to $299,500.

The spotlight switched to a child's leg modeled in wax, complete with real human hairs, a sock and a sandal. The work of art, if that is the word, done by Gober in 1992, was found irresistible enough to bring $96,000.

Peanuts, though, compared with Kiki Smith's wax figure of a crouching woman. Called "Pee body" it is also from the year 1992. Glass beads strewn under the figure justify the title. At $233,500, "Pee body" nearly tripled Meyer's high estimate. The expert wrote, "Smith comments on our attitudes toward ourselves, the sexes and the way we interact in society." Sotheby's should watch its use of the first person plural.

Christie's

Andy Warhol's "Big Torn Campbell's Soup Can (Pepper Pot)."

It all culminated with an installation called by Matthew Barney "Transsexualis (Decline)," as a match to an earlier "Transsexualis (Incline)," completed in 1991. Sotheby's balked at mounting the translucent glass room with steel rings dangling from the ceiling. Illustrated in the catalogue, it was not to be seen otherwise, Sotheby's warning: "All expenses for the installation of this lot are to be borne by the purchaser."

THERE may be other reasons than cost for such prudence. The entry began: "walk-in cooler, formed and cast petroleum jelly, decline bench, human chorionic gonadotrophin." Stating that both installations "represent a metaphorical passage through the metabolic processes of the body," the catalogue recounted that the artist, Barney, "performs the descent and the ascent by climbing the walls of the gallery [where the show was held] while nude."

There were no performances at Sotheby's, nor a projection of a video recording them under the title "Mile High Threshold Flight With Anal Sadistic Warrior." Was it the prospect of viewing it, or the entry, not all of it fit to print, that sent it flying to $343,500? Sotheby's new cutting-edge presentation makes one wonder.

What followed was equally astonishing, in a different vein. Rarely since the 1990 art market crash has such a yearning for anything long-established with a name and a provenance, regardless of the art, expressed itself so blatantly. Richard Diebenkorn, the New York School artist of the 1960s who encountered the greatest difficulties, was suddenly back in favor. A young San Francisco dealer, John Berggruen, bought his "Ocean Park," an abstract work of 1975, for a huge $1,267,500. He followed it up with Wayne Thiebaud's "San Francisco Freeway," done in 1980 in a throwback to Pop Art, for $332,500, and Mark Rothko's bands of red and black on a chocolate-brown ground dated 1960 for a stiff $2.2 million.

A typical Franz Kline of 1955, "Crosstown," also soared to $2.2 million for the sake of its strong image of New York art in the 1950s. Similar historicity propelled Cy Twombly's iron sculpture, done in 1952-1953, to $442,500, a record for the artist's sculpture. A messy but instantly identifiable Willem de Kooning painted in 1947 cost a phenomenal $1,762,500. By the end of the session, Sotheby's had squeezed $15.2 million out of one of its flimsiest sales of Contemporary Art.

THE stage was set for Christie's bigger sale on Wednesday. The opening bids crackled like fireworks. An Alexander Calder, conceived by the American artist in Paris in 1935 and presented by him to Charles Ratton, the famous French dealer who sold African sculpture to early 20th-century masters, more than doubled its high estimate at $343,500.

Confronted with a larger number of works of substance, buyers were not quite so amenable as the day before. Rothko's bands of yellow, red and sky blue, rare for their bright tonalities borrowed from Impressionism but disconcerting to New Yorkers attuned to his dramatic darker abstractions, brought $1,982,500. A de Kooning with similar colors in a confused composition remained unsold at $1.4 million, a victim to over-estimation, bound to be corrected in some private sale. It was a reminder that in this bullish market, mediocrity can do well but not if it is too unusual to serve as an instant status badge.

Where works were all at once the quintessential image of their type, glamorized by an aura of historicity and graced with familiar names, enthusiasm knew no boundary. Claes Oldenburg's "Mannikin With One Leg," a polychrome figure dated 1961, had no trouble in shinning up to $277,500, and Jasper Johns's small "Target" of 1958 could not have done much better than $937,500.

All were outshone by the advertising man-turned-artist, Andy Warhol, whose "Big Torn Campbell's Soup Can (Pepper Pot)" became the most expensive ever in that series at just over $3.5 million. Art, as understood of yore, may not have had all that much to do with Christie's $20.7 million Contemporary Art binge. The instant message, which is the equivalent of slogans in politics, certainly did.

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100, 75 AND 50 YEARS AGO

1947: Anti-Red Bill

WASHINGTON — The House of Representatives passed [illegible] President Truman's $400,000,000 Greek-Turkish aid bill and [illegible] izing the transfer of Army arms and money to help the Mediterranean countries against communism. The legislation was whooped through by a roll-call vote of 287 to 107 by a coalition of Republicans and Southern Democrats who shouted [illegible] alarmed opposition protests that passage might mean a declaration of war on Russia.

blika Srpska

The administration has talked about forming a special police unit to arrest war criminals. Where that stands is uncertain, but a policy review is going on now.

Anyone who does not know why we should care about Bosnia — and why we need to bring accused war criminals before the tribunal — should read a new book. It is "End Game," by David Rohde, who reported in The Christian Science Monitor on finding mass graves of the Muslims slaughtered by General Mladic and his men after they seized the supposed UN safe area of Srebrenica in June 1995.

"End Game" tells the shameful story of how United Nations representatives and military commanders slithered out of the pledge to protect Srebrenica.

It tells about General Bernard Janvier and Yasushi Akashi, the chief UN representative, meeting President Slobodan Milosevic of Serbia at a hunting lodge of his a month after the Srebrenica massacre. When Mr. Milosevic said no hunting was allowed near the lodge, Mr. Akashi joked, "a safe area for animals." Everyone laughed.

The New York Times

unterfeit Dollars

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according to an intelligence report from the Royal Canadian Mounted Police.

More recently, and more ominously, Supernotes — so named because they are so perfect, including a few [illegible] of the new $100 bill released by the Treasury in March 1996 — have all counterfeiters — began appearing in Russia and the former states of Soviet Central Asia. Their appearance [illegible] Russian media reports of [illegible] by the U.S. government practically [illegible] the issue of the genuine notes by the Bureau of Engraving and Printing in the United States. [illegible] U.S. Federal Reserve System [illegible] there is a great [illegible] Hong Kong Stock Exchange [illegible] the Singapore Monetary Authority [illegible] Supernotes have been [illegible] Seoul. Would it be appropriate for [illegible] Casino to [illegible] may be one of the biggest [illegible] according [illegible] Boston [illegible]

for the Results

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NYSE

Friday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 12

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Beyond Development: Rediscovering Nature's Wisdom
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Under NAFTA, Jobs Slip Across Border

Low-Skilled U.S. Workers Feel the Impact

By Allen R. Myerson
New York Times Service

EL PASO, Texas — Even after 15 years of work, Maria Consuelo Garcia made only slightly more than the minimum wage of $4.75 an hour stitching together Polo, Fila and Sassoon jeans in the Sun Apparel Inc. factory here.

Seeing friends laid off at her plant and others, she kept her sewing machine whirring to beat her quotas.

But that was not good enough. Company managers said their costs were still too high. Early last month, Ms. Garcia and 297 others were let go.

Though Sun Apparel had no comment, the Labor Department said that

ECONOMIC SCENE

these workers, and 320 others last year, lost their jobs because the company is bringing in more goods from Mexico, where garment workers usually are paid less than $1 an hour.

Such job losses to Mexico are accelerating, especially among workers already at the bottom in pay and skills, according to economists and government statistics. Since the North American Free Trade Agreement took effect at the beginning of 1994, the job losses — most of them to Mexico but some to Canada — have grown by more than a third each year. The Labor Department's total of 124,000 jobs lost includes a record 7,600 that disappeared in April alone.

Officials in President Bill Clinton's administration say lower trade barriers with Mexico and higher U.S. exports still leave Americans with far more new jobs than they are losing. They say the layoffs are more the result of the peso's crash in late 1994 and the lowered cost of Mexican labor than of the trade agreement.

"In a economy as strong as ours, NAFTA certainly hasn't had the negative impact that critics feared," said Ira S. Shapiro, a senior negotiator for the U.S. trade representative.

But even as the United States as a whole is basking in nearly full employment, workers in areas where dominant employers have cut back because of Mexican trade can find themselves living through a depression. Although a side agreement to the free-trade accord guarantees retraining, the government says it has no idea how many have found new jobs.

What is more, a study that the Labor Department itself financed says that the figure of 124,000 workers who lost jobs and qualified for training programs understates the true job drain. Some major companies have refused to acknowledge that they have moved or lost jobs to Mexico.

Mexican trade, however, like trade in general, is less likely to cost American jobs than to restrain wages, said Alan B. Krueger, a former Labor Department chief economist who is now at Princeton University. "Trade does create winners and losers," he said.

The damage is most visible here in El Paso, a border metropolis of 700,000 people whose economy has already become fully integrated with Mexico's and whose workers are therefore willing to accept the minimum wage. Also visible here, given the stark limits of the government's retraining effort, is a community's struggle to find solutions of its own.

With an average unemployment rate of 11.7 percent last year, up about two percentage points since 1994, El Paso has lost 5,600 jobs as a result of free trade with Mexico over three years, more than anywhere else. Most of those laid off are of Mexican descent; one-third to one-half of them are U.S. citizens, and most of the rest are legal U.S. residents.

In addition, some workers are having to seek jobs elsewhere. The Census Bureau reports that in 1995 almost 15,000 more people left El Paso than arrived, compared with a loss of 1,400 residents in 1993, the year before the trade pact took effect. Although a few workers left for Mexico, far more are looking for work elsewhere in the United States. Buses leaving every week from the Texas Workforce Commission offices here have carried hundreds away to temporary jobs, many in slaughterhouses, in states as distant as Iowa, Nebraska and even Alaska.

About 1,500 who stayed in El Paso found that the retraining program left them with no new skills or jobs. After spending $18 million on the program here over three years, Washington is spending an additional $4.5 million to retrain many of these workers yet again. Anger over foreign trade, especially with Mexico, has become a political weapon.

The House of Representatives' minority leader, Richard Gephardt, a Democrat from Missouri who is con-

See BORDER, Page 13

Bruce Berman/The New York Times
Workers demonstrating against NAFTA in a plaza in El Paso, Texas.

Greenspan Defends March Rate Increase

Preemptive Action Saved Jobs, He Says

By Richard W. Stevenson
New York Times Service

NEW YORK — Clearly stung by widespread criticism that the Federal Reserve Board had been too quick to raise interest rates six weeks ago, Chairman Alan Greenspan aggressively defended the action, saying that a failure to act would have constituted "a threat to the job security and standards of living of too many Americans."

Addressing head-on the argument that the Federal Reserve Board had put the brakes on the economy without clear evidence of accelerating inflation, Mr. Greenspan offered what for him was an unusually direct rebuttal, saying the quarter-point rate increase decided on March 25 was a carefully calibrated form of insurance for an economy that had been growing steadily for more than six years.

"The Federal Reserve, of late, has been criticized as being too focused on subduing nonexistent inflation and, in the process, being willing to suppress economic growth, retard job expansion and inhibit real wage gains," Mr. Greenspan said Thursday night in a speech at the Plaza Hotel in Manhattan.

"On the contrary, our actions to tighten money market conditions in 1994, and again in March of this year, were directed at sustaining and fostering growth in economic activity, jobs and real wages."

Mr. Greenspan did not say whether he would push for another rate increase when the Fed's policy-setting Open Market Committee met May 20, although he warned that further rate increase might be necessary if the economy did not slow.

But his speech Thursday laid out a rationale for central bankers to take unpopular actions in pursuit of low inflation, especially when, as now, there is no clear political consensus to curb growth before inflation breaks out.

"Those who wish for us, in the current environment, to await clearly visible signs of emerging inflation before acting are recommending we return to a failed regime of monetary policy that cost jobs and living standards," Mr. Greenspan said.

His speech comes as policymakers at the Fed, as well as economists generally, are struggling to explain why inflation has remained largely dormant despite a combination of strong growth and low unemployment that, traditional theory holds, would lead inevitably to rising wages and prices.

The economy grew at a 5.6 percent annual rate in the first quarter, its fastest pace in more than nine years, and unemployment in April stood at 4.9 percent, its lowest rate in 23 years. Yet wages are rising only modestly — the employment-cost index for the first quarter rose just 0.6 percent — and measures of overall inflation have remained subdued.

Mr. Greenspan has consistently advocated the need to fight inflation preemptively — that is, before it infects the economy and becomes much more difficult to eliminate. But until the Fed's March meeting, Mr. Greenspan had refrained from raising rates despite periodic surges in growth and a steadily declining unemployment rate.

In raising its target for the federal funds rate to 5.5 percent from 5.25 percent at the March meeting, the Fed took the smallest step it could to keep the economy from overheating. Still, the decision brought widespread complaints from many business executives and from politicians at both ends of the ideological spectrum that the Fed was exaggerating the inflation threat at the cost of jobs and economic growth.

They argued that the Fed had not taken sufficient note of fundamental changes to the economy, from the improvements in productivity generated by investments in technology to increasing global competition, that have combined to allow higher rates of economic growth while keeping wage and price increases in check.

"Raising interest rates in a preemptive strike against inflation risks damaging our economic growth and prosperity, and is unwarranted," said a

See STOCKS, Page 10

Figuring Out What the Fed Chief Meant

Bloomberg News

WASHINGTON — When Alan Greenspan speaks, investors and financial journalists around the world listen. They are just not always sure what he said — perhaps by the Federal Reserve Board chairman's own design.

The question on everyone's mind as Mr. Greenspan spoke on the economy Thursday night in New York was whether Fed policymakers would raise interest rates when they meet next on May 20, on top of a quarter-point increase in the overnight bank loan rate ordered in March.

Here were the interpretations:

Bloomberg News's first headline when the Fed chairman began speaking at 9:15 P.M. said, "Greenspan Hints Fed Will Leave U.S. Rates Unchanged May 20." The lead of its story repeated that point and added that the Fed was "poised to raise rates in the months ahead if the U.S. economy doesn't slow."

The Washington Post's Fed-watcher, John Berry, agreed. His lead article said Mr. Greenspan "hinted in a speech last night that the Fed won't raise interest rates again in the coming weeks, if the very rapid pace of economic growth early this year slows as he expects."

The Associated Press, meanwhile, said in its first report that while "Greenspan refrained from saying explicitly what action Fed policymakers would take" on May 20, "the remarkably strong tone of his remarks suggested they might add to the quarter-point rate increase engineered March 25."

Finally, The New York Times saw the glass half full: "Mr. Greenspan did not say whether he would push for another rate increase when the Fed meets to consider monetary policy on May 20, although he warned that further rate increases might be necessary if the economy did not slow."

U.S. Eases Export of Data-Scrambling Technology

By John Markoff
New York Times Service

Giving ground on the Clinton administration's policy on computer-data privacy, the U.S. Commerce Department said it would begin in some cases to allow exports of the most powerful data-scrambling technologies when they are to be used for securing financial transactions.

The move is a departure from previous policy, which allowed exports of the most powerful privacy-protection software and hardware only if the technology enabled law-enforcement officials to obtain copies of the mathematical keys needed to break the codes. The revised policy makes no such proviso in the case of certain financial transactions.

In addition to international fund transfers between banks, permissible applications under the new policy are expected to include privacy-protected home-banking software for banks to offer to customers worldwide.

The new policy, announced Thursday, also would apply to a technology known as the Secure Electronic Transaction Standard, which has been developed by MasterCard and Visa to permit consumers to send credit-card information to merchants electronically.

Computer-data scrambling, or cryptography, is widely seen as the most crucial technology underlying a wide range of new computerized communications and commerce applications. But President Bill Clinton's administration, like the George Bush administration before it, has limited the export of powerful encryption technology for fear it would enable foreign criminals or terrorists to conspire with electronic impunity.

Privacy-rights advocates have opposed the policy, fearing Big Brother-style intrusiveness if law-enforcement officials can obtain code keys. Industry officials have contended that the export laws have forced U.S. companies to miss out on a thriving foreign market.

Banks and other financial institutions, meanwhile, have said that the policy makes it difficult to ensure the security of electronic-funds transfers between the United States and other countries.

But word of the new rules drew concern from critics of U.S. data-scrambling policies, who said the banking industry would be getting an unfair business advantage.

"There is a danger of creating a cartel-like environment that gives banks advantages over many of the current leaders in electronic commerce," said Laurie Fena, executive director of the Electronic Frontier Foundation in San Francisco.

Historically, U.S. banking and financial institutions have been given special exemptions to export data-scrambling equipment based on the 20-year-old Data Encryption Standard. But the big increase in computer processing power in recent years has made that standard appear increasingly vulnerable, and the government has been under pressure to permit the export of strong encryption technology for financial purposes.

Officials said the rules would be published soon. For now, it is unclear whether the definition of financial institutions and transactions is broad enough to include software makers such as Netscape Communications Corp., which produces the most popular software for navigating the World Wide Web.

Netscape's software has a component for ensuring secure financial transactions; but under current export law, that ability must be weakened or disabled when its Web-navigating software is shipped overseas.

A Bankrupt Bre-X Fires Its Chief Geologist

Compiled by Our Staff From Dispatches

TORONTO — Bre-X Minerals Ltd. has obtained bankruptcy protection and fired the geologist who oversaw the gold exploration project in Indonesia that has become possibly the biggest fraud in mining history.

The Calgary-based company said it was granted protection Thursday by an Alberta court in order to deal with the numerous claims lodged against it by angry investors.

Bre-X also said it had fired its senior vice president for exploration, the geologist John Felderhof, who was deeply involved in promoting the Indonesian site. Mr. Felderhof, recently honored as Canada's prospector of the year, has denied involvement in any fraud and still insists there is gold at the Busang site. Mr. Felderhof, along with other senior Bre-X executives, sold off some shares in the company last year, netting millions of dollars in profits. He now lives at an estate on Grand Cayman island in the Caribbean.

Mr. Felderhof was the most enthusiastic promoter of the site. He has said there could be 200 million ounces of gold at the site — which would have been the biggest gold deposit ever found. But on Sunday, Bre-X released a report from an independent consulting firm declaring that thousands of rock samples had been doctored with gold from elsewhere. The report did not specify who was to blame.

On Thursday, Bre-X voluntarily removed its shares from trading on the Nasdaq Stock Market. The U.S. exchange had suspended trading in Bre-X while it considered whether to continue listing the stock.

A day earlier, Bre-X was dumped by the Toronto Stock Exchange following a plunge in which shares once worth more than $200 closed at about 6 cents. *(AP, Bloomberg)*

Disney Eyes JSkyB

Fuji TV Also Considers Taking a Stake

Compiled by Our Staff From Dispatches

TOKYO — Walt Disney Co. is negotiating to buy a stake in Japan Sky Broadcasting Co., a satellite broadcaster owned by Rupert Murdoch's News Corp. and Softbank Corp. of Japan, a JSkyB executive said Friday.

Fuji Television Network Inc., a Tokyo-based broadcaster that is preparing to go public, also may buy shares in JSkyB, which is currently a 50-50 joint venture between News Corp. and Softbank, the executive said.

In March, Sony Corp. confirmed that it was in talks to become part of the venture.

The JSkyB executive declined to say how much Disney and Fuji Television were considering investing or how close they were to reaching an agreement.

A stake in JSkyB could increase Disney's access to the broadcasting market in Japan, where the popularity of the company's characters have helped make Tokyo Disneyland the world's most profitable theme park.

A link with Fuji would offer JSkyB a strong ally from the powerful Japanese terrestrial-broadcasting camp. Fuji is known for the variety of its program libraries.

JSkyB hopes to complete talks with Fuji TV during Mr. Murdoch's visit to Japan next week, a spokesman said.

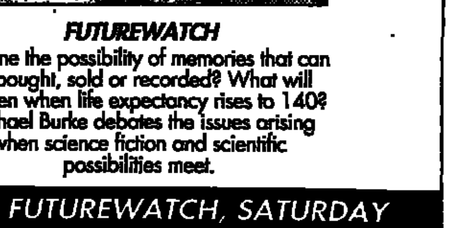
JSkyB was set up in December with capitalization of 20 billion yen ($161.6 million).

Tie-ups with Disney, Sony and Fuji could give JSkyB access to programs and films produced by the three. That would give JSkyB an advantage over its competitors, PerfecTV and DirecTV Japan. *(Bloomberg, Reuters)*

■ Fuji Bank Sues in U.S.

Fuji Bank Ltd. is suing to foreclose on the Chrysler and Kent buildings in Manhattan, saying the owner has failed to make payments, Bloomberg News reported from New York.

The bank filed the suit Thursday in New York State Supreme Court, saying Chrysler Properties Inc. had failed to pay roughly $5 million in debt and service fees due April 30 and May 1. Chrysler Properties is not related to the automaker Chrysler Corp.


FUTUREWATCH
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CURRENCY & INTEREST RATES

Cross Rates

May 9

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.904	3.084	1.1248	0.3324	0.1135*	—	5.45*	1.2225	1.5635*	1.3785	133.80*
Brussels					Closed*						
Frankfurt	1.7013	2.7582	—	0.2963	0.1011*	0.8897	4.8454*	1.1837	1.2846*	1.2273	1.184*
London (a)	1.6194	—	2.7483	9.2516	2,718.406	3.0842	56.614	2.333	197.0891	2.2496	231.9386
Madrid	143.628	232.792	84.407	25.036	8.535*	75.115	4.094	99.985	117.709*	103.77	—
Milan	1,690.60	2,729.10	989.75	293.30	—	879.50	47.395	1,172.80	13.824	1,215.10	11.789
New York (b)	—	1.6226a	1.6875	5.691	1,672.00	1.9079	34.81	1.4235	128.30	1.392	143.54
Paris	5.7368	9.296	3.3746	—	0.3409*	3.0003	0.1625	3.9945	4.7015*	4.1448	3.9945*
Tokyo	123.25	199.48	72.33	21.44	0.731	64.30	3.5854	85.46	—	88.98	0.8582
Toronto	1.3918	2.2594	0.8247	0.2445	0.0833*	0.7335	0.3997*	0.9777	1.155*	—	0.975*
Zurich	1.4265	2.3058	0.8427	0.2498	0.085*	0.7486	4.9824*	—	1.1736*	1.0249	0.9964*
1 ECU	1.1496	0.7083	1.9540	6.5948	1,934.62	2.1981	40.3296	1.6514	140.27	1.5911	165.101
1 SDR	1.3965	0.8369	2.3598	7.9458	2,330.69	2.6494	48.6829	2.0016	171.721	1.884	198.849

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	269.43	Mex. peso	7.901	S. Afr. rand	4.463
Australian $	1.2862	Hong Kong $	7.7447	N. Zealand $	1.4556	S. Kor. won	893.10
Austrian sch.	11.916	Hung. forint	181.54	Norw. krone	7.0414	Swed. krona	7.6546
Brazil real	1.0646	Indian rupee	35.84	Phil. peso	26.37	Taiwan $	27.68
Chinese yuan	8.3234	Indo. rupiah	2427.1	Polish zloty	3.16	Thai baht	26.07
Czech koruna	30.61	Irish £	0.6623	Port. escudo	170.32	Turkish lira	136065
Danish krone	6.504	Israeli shek.	3.4013	Russ ruble	5753.0	UAE dirham	3.6705
Egypt. pound	3.3952	Kuw dinar	0.301	Saudi riyal	3.75	Venez. boliv.	481.00
Fin. markka	5.1104	Malay. ring.	2.5045	Sing. $	1.4398		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6193	1.6185	1.6177	Japanese yen	121.09	120.54	120.01
Canadian dollar	1.3830	1.3776	1.3750	Swiss franc	1.4251	1.4202	1.4155
Deutsche mark	1.6903	1.6865	1.6828				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

May 9

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	3 - 3 1/8	1 3/16 - 1 5/16	6 3/16 - 6 5/16	3 1/4 - 3 3/8	3/8 - 1/2	4 - 4 1/8
3-month	5 11/16 - 5 13/16	3 1/16 - 3 3/16	1 5/16 - 1 7/16	6 1/4 - 6 1/2	3 1/4 - 3 3/8	1/2 - 5/8	4 1/16 - 4 3/16
6-month	5 13/16 - 5 15/16	3 1/8 - 3 1/4	1 7/16 - 1 9/16	6 1/2 - 6 3/4	3 5/16 - 3 7/16	9/16 - 11/16	4 1/8 - 4 1/4
1-year	6 1/16 - 6 3/16	3 3/16 - 3 5/16	1 9/16 - 1 11/16	6 3/4 - 7	3 1/2 - 3 5/8	3/4 - 7/8	4 5/16 - 4 7/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 7/16	5 9/16
90-day CDs dealers	5.70	5.73
180-day CP dealers	5.72	5.72
3 month Treasury bill	5.05	5.07
1-year Treasury bill	5.54	5.58
2-year Treasury bill	6.24	6.34
5-year Treasury note	6.52	6.58
7-year Treasury note	6.58	6.63
10-year Treasury note	6.67	6.71
30-year Treasury bond	6.90	6.91
Merrill Lynch 30-day RA	4.97	4.97
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.43
1-month interbank	0.53	0.53
3-month interbank	0.54	0.54
6-month interbank	0.71	0.63
10-year Govt bond	2.85	2.70
Germany		
Lombard rate	4.50	4.50
Call money	3.12	3.10
1-month interbank	3.18	3.20
3-month interbank	3.23	3.22
6-month interbank	3.25	3.25
10-year Bund	5.72	5.74

Britain	Close	Prev
Bank base rate	6 1/4	6 1/4
Call money	N.A.	6 3/16
1-month interbank	6 5/16	6 1/4
3-month interbank	6 7/16	6 7/16
6-month interbank	6 5/8	6 5/8
10-year Gilt	7.01	7.07
France		
Intervention rate	3.10	3.10
Call money	3 1/16	3 1/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 3/8	3 3/8
6-month interbank	3 1/2	3 1/2
10-year OAT	5.67	5.67

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

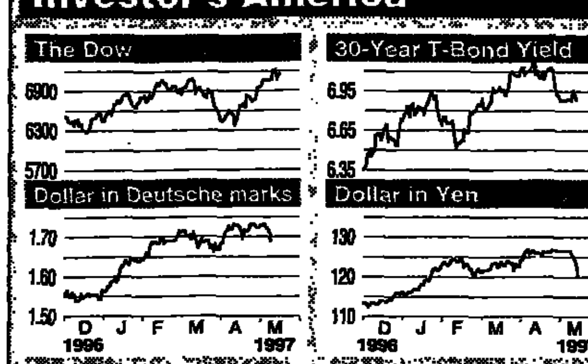
Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	346.30	+5.30
London	344.80	345.85	+2.10
New York	345.00	349.00	+4.30

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Friday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7169.53	7136.62	+0.46
NYSE	S&P 500	[illegible]	[illegible]	[illegible]
NYSE	S&P 100	808.47	802.86	+0.70
NYSE	Composite	[illegible]	[illegible]	[illegible]
US	Nasdaq Composite	[illegible]	[illegible]	[illegible]
AMEX	Market Value	[illegible]	[illegible]	[illegible]
Toronto	TSE Index	6220.76	6171.90	+0.79
São Paulo	Bovespa	[illegible]	[illegible]	[illegible]
Mexico City	Bolsa	[illegible]	[illegible]	[illegible]
Buenos Aires	Merval	[illegible]	727.69	[illegible]
Santiago	IPSA General	[illegible]	[illegible]	[illegible]
Caracas	Capital General	[illegible]	[illegible]	[illegible]

Source: Bloomberg, Reuters — International Herald Tribune

Reinventing the Patent System

Passions Run High on U.S. Bill to Ease Confidentiality

By Matthew L. Wald
New York Times Service

WASHINGTON — Congress is considering changes to the patent system in the United States that would remove some of the confidentiality of patent applications — a step that independent inventors say could ruin them and that big businesses contend is needed to help them remain competitive.

The proposal, which has stirred passions on both sides of the issue, would make sweeping changes in the U.S. Patent and Trademark Office, converting it to a government-owned corporation.

The most hotly debated provision of the bill would require the office to make applications public 18 months after they are filed, whether or not a patent has been issued. The House of Representatives approved such a bill last month, but an amendment was added that would exempt patents filed by individual inventors, universities and companies with fewer than 500 employees.

The change to the system, which now requires the publication of patents only when they are issued, would bring the United States in line with most other countries, advocates say. Earlier disclosure, they contend, is simply a matter of efficiency in a time of rapid technological change.

It "tells everybody who hasn't come across a solution, 'forget this line of research, because somebody has just beat you to it,'" said Michael Kirk, executive director of the American Intellectual Property Law Association, which represents patent lawyers. Without such notification, he said, "You're just going to reinvent what somebody else already has the rights on."

But Beverly Selby, executive director of the Alliance for American Innovation, contended at a Senate Judiciary Committee hearing that early disclosure would allow big companies to steal ideas before they were patented. With no assurance of a patent, she said, an inventor would have difficulty raising money to defend a claim in court.

Other opponents have criticized a provision that would make it easier for third parties to ask the patent office to re-examine a patent and possibly invalidate it.

STOCKS: *Fed Chief Defends Action*

Continued from Page 9

letter sent to Mr. Greenspan last month by 59 members of Congress, most of them Democrats.

The rate increase — or the threat of a protracted rise in rates — was also cited as a reason for a stock-market slump that began in March. The market has recovered since the sell-off as economic reports have indicated a moderation of economic growth. Such data have been interpreted by some analysts as making future rate increases less likely.

In his speech Thursday night, Mr. Greenspan said the Fed carefully weighed both the costs of raising interest rates and the risks of not raising rates in deciding when and whether to act against inflation. In the case of the March meeting, he said, the balance tipped toward acting.

"In the same sense that it would be folly not to endure the small immediate discomfort of a vaccination against the possibility of getting a serious disease, it would have been folly not to take this small prudent step last March to reduce the probabilities that destabilizing inflation would re-emerge," Mr. Greenspan said. "The risk to the economy from inaction came to outweigh the risk from action."

Mr. Greenspan acknowledged there was a "substantial element of truth" in the argument that "conventional notions of capacity are becoming increasingly outmoded and that domestic resources can be used much more intensively than in the past without added price pressures."

But he went on to say that "any inference that our productive capacity is essentially unlimited is clearly unwarranted."

Mr. Greenspan said that while there was "scant evidence of any imminent resurgence of inflation at the moment, there also appears to be little slack in our capacity to produce."

In the closest he came to a warning that the Fed might have to raise rates again this month, he added, "Should the expected slowing in the growth of demand fail to materialize, we would need to address any emerging pressures in product and credit markets."

U.S. STOCKS

■ **Stocks Rise, Cautiously**

Stocks rose Friday as a weak dollar lifted exporting companies and the broader market struggled to decide whether or not Mr. Greenspan would raise interest rates, news agencies reported.

The Dow Jones industrial average closed up 32.91 points, at 7,169.53, while the Standard & Poor's 500-share index gained 4.57 at 824.83. Advancing issues outnumbered declining ones on the New York Stock Exchange by a 7-to-5 ratio.

The price of the benchmark 30-year Treasury bond rose 14/32 of a point, to 96 21/32, taking the yield down to 6.89 percent from 6.91 percent Thursday.

Big exporters such as Coca-Cola and Procter & Gamble rose; a weaker dollar makes their goods more affordable overseas. Coke closed up 1 at 65⅝, and P&G gained 2 to 132.

Some cyclical issues also rose as some investors decided U.S. rates were not heading higher. Caterpillar closed up 2⅜ at 96⅞.

"There's still very little in the way of inflation pressure, and the economy is still expanding," said Jim Solloway, director of research at Argus Research Corp. "These are the factors that augur for increased stock valuations." But uncertainty over the interest-rate trend kept many buyers on the sidelines.

McDonald's held back the Dow, falling 1⅛ to 53⅛ on reports that sales of its Big Mac sandwich had slumped since the world's largest restaurant chain instituted a new low-priced menu. McDonald's denied the reports.

Cephalon shares plunged 7¼ to 12¾ after a report that its drug for treating Lou Gehrig's disease had failed to win the backing of a U.S. Food and Drug Administration advisory panel.

Chrysler was the most actively traded issue on the Big Board, rising ⅜ to 31⅜ after workers at a Detroit engine plant ratified a new contract, ending a four-week strike.

Premier Laser Systems rose 2¾ to 13¾ after the medical-laser maker's dental laser became the first in the United States approved for treating tooth decay. The stock began the week at 6⅞.

(Bloomberg, AP)

EchoStar Sues News Corp. for a Loan

Compiled by Our Staff From Dispatches

NEW YORK — EchoStar Communications Corp. said Friday it had asked a federal court to force News Corp. to lend it $200 million, another sign that Rupert Murdoch's plan to create a behemoth in satellite television is unraveling.

Murdoch's News Corp., which agreed to invest $1 billion in a joint venture called American Sky Broadcasting, had agreed to make the loan if EchoStar needed it before regulators approved the deal. But News Corp. denied that it was obligated to lend the money.

"We asked for the money, and they failed on their end," said Judianne Atencio, an EchoStar spokeswoman. Jim Platt, a News Corp. spokesman, said, "We believe there's no merit to EchoStar's claim, and we will vigorously contest the matter."

Sources close to News Corp., speaking on condition of anonymity, said the company believed EchoStar had already breached the deal and that therefore the agreement was no longer valid.

The filing is the latest sign that Murdoch and the chairman of EchoStar, Charles Ergen, are not seeing eye-to-eye. Two weeks ago, EchoStar said News Corp. may end its plan to invest unless EchoStar uses a security-card system made by News Corp. Last week, Preston Padden resigned as head of News Corp.'s U.S. satellite-TV operations.

"It's another sign that the two guys aren't coming together," said Marc Crossman, an analyst at Rauscher Pierce Refsnes. "Both think they're holding the reins."

News Corp., which already has a satellite business, would be a formidable competitor to the existing U.S. satellite services, DirecTV and Primestar, if it were to team up with EchoStar. *(AP, Bloomberg)*

Very briefly:

Damage Award Against BMW Cut

MONTGOMERY, Alabama (AP) — BMW should have to pay $50,000, not $2 million, for failing to tell a buyer that the paint of his car had been damaged and retouched, Alabama's highest court ruled Friday.

The case had been sent back to the state Supreme Court by the U.S. Supreme Court, which termed the $2 million punitive-damage award "grossly excessive." The award had been won by a doctor in Birmingham, Alabama, who had not been told that his new BMW sedan had been partly repainted to touch up acid-rain damage that occurred during shipping.

- **ARCO Chemical Co.** said its top executives were now required to own company stock, in an effort to align their financial interests with those of shareholders.
- **Seagate Technology Inc.**, the world's largest maker of computer disk drives, lost a court case over faulty disk drives and was ordered to pay as much as $153 million in damages to Amstrad PLC, a British computer maker.
- **Parker Drilling Co.** signed agreements to acquire **Hercules Offshore Corp.** and **Hercules Rig Corp.** for $195 million.
- **The pace of U.S.** stock-fund buying rose in the past week to $3.5 billion from $2.3 billion the week before, said AMG Data Services, which tracks mutual-fund money flows.
- **Cephalon Inc.'s** drug for the treatment of Lou Gehrig's disease, Myotrophin, failed to win approval by an advisory panel to the Food and Drug Administration, which said there was insufficient evidence that the drug worked.
- **The United States** is negotiating rules with the Organization for Economic Cooperation and Development to further restrict export subsidies, Deputy Treasury Secretary Lawrence Summers said.
- **Walt Disney Co.'s** ABC Radio Networks will start a radio network called Radio Disney for children in four U.S. markets in November. *AP, Bloomberg, Reuters, NYT*

DOLLAR: *Hints of Intervention From Japanese Officials Drive Up the Yen*

Continued from Page 1

mercial banks charge each other on overnight loans, in quarter-point increments.

With that initial rate increase on March 25, Mr. Hensley said, "there's a track record now that the fed definitely will pull the trigger even in the absence of inflation."

Although there have been few signs of rising prices at the consumer level, the U.S. economy grew at a 5.6 percent annualized rate in the first quarter, according to current government estimates, and the unemployment rate has fallen to 4.9 percent, its lowest since December 1973.

With short-term interest rates relatively high in America, money has been flowing into the dollar. Japan, by contrast, has a weak economy and extraordinarily low rates, with overnight loans carrying interest charges below 0.50 percent.

That makes the dollar attractive to international investors, but it puts pressure on U.S. exporters and thus creates political problems for Washington and Tokyo.

Carl Weinberg, chief economist of High Frequency Economics, an analysis firm in Valhalla, New York, told his clients Friday that he doubted Mr. Greenspan's speech meant the Fed was changing its approach or that the Bank of Japan would raise its rates before the end of the year. He added, however, that "perceptions are more important than realities."

He did note that "big-time jawboners were out there threatening intervention."

FOREIGN EXCHANGE

Mr. Flanagan said statements by Treasury Secretary Robert Rubin and by Robert Parry, president of the Federal Reserve Bank of San Francisco, did not have much effect on the market.

Mr. Rubin was noncommittal about the U.S. stance on currency matters, except to say that America shared Japanese "concerns about recent movements in the context of" the G-7.

Mr. Parry said, in comments to be aired on television Friday night, that he expected "fairly significant slowing" in the U.S. economy in the second quarter. But he was quoted by Bridge News as saying that an unemployment rate of 5.5 percent, considerably above the current level, was compatible with noninflationary economic expansion.

Against other currencies Friday, the dollar fell to 5.6890 French francs from 5.7630 francs and to 1.4235 Swiss francs from 1.4450 francs. The pound rose to $1.6230 from $1.6200.

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AM Intl	85	[illegible]	[illegible]	[illegible]	[illegible]
AMC	473	[illegible]	[illegible]	[illegible]	[illegible]
ARC	668	[illegible]	[illegible]	[illegible]	[illegible]
AVIC Gp n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Acmat	128	[illegible]	[illegible]	[illegible]	[illegible]
AdvMag	285	[illegible]	[illegible]	[illegible]	[illegible]
AdvMag	78	[illegible]	[illegible]	[illegible]	[illegible]
Admiled	786	[illegible]	[illegible]	[illegible]	[illegible]
Aeroson	194	[illegible]	[illegible]	[illegible]	[illegible]
Alanco	163	[illegible]	[illegible]	[illegible]	[illegible]
Almagd s	726	[illegible]	[illegible]	[illegible]	[illegible]
AHoggan	361	[illegible]	[illegible]	[illegible]	[illegible]
AlldRsh	111	[illegible]	[illegible]	[illegible]	[illegible]
Alphain	126	[illegible]	[illegible]	[illegible]	[illegible]
Amdhl	2657	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	1722	[illegible]	[illegible]	[illegible]	[illegible]
AIM 86	174	[illegible]	[illegible]	[illegible]	[illegible]
Am Lbl	132	[illegible]	[illegible]	[illegible]	[illegible]
Ampex	2032	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	86	[illegible]	[illegible]	[illegible]	[illegible]
Anahco	125	[illegible]	[illegible]	[illegible]	[illegible]
Apragen	2484	[illegible]	[illegible]	[illegible]	[illegible]
AmerH	215	[illegible]	[illegible]	[illegible]	[illegible]
Artyth	145	[illegible]	[illegible]	[illegible]	[illegible]
Astrotc	230	[illegible]	[illegible]	[illegible]	[illegible]
Astrosy	792	[illegible]	[illegible]	[illegible]	[illegible]
Astrodrt	195	[illegible]	[illegible]	[illegible]	[illegible]
AtwdPet	66	[illegible]	[illegible]	[illegible]	[illegible]
Autogen wt	267	[illegible]	[illegible]	[illegible]	[illegible]
Axco	638	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	991	[illegible]	[illegible]	[illegible]	[illegible]
BHC	377	[illegible]	[illegible]	[illegible]	[illegible]
Baker	154	[illegible]	[illegible]	[illegible]	[illegible]
Balleys s	186	[illegible]	[illegible]	[illegible]	[illegible]
BT deeP	301	[illegible]	[illegible]	[illegible]	[illegible]
BarrLab s	227	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	4402	[illegible]	[illegible]	[illegible]	[illegible]
BeachE	135	[illegible]	[illegible]	[illegible]	[illegible]
BentPh	92	[illegible]	[illegible]	[illegible]	[illegible]
BentPh wt	100	[illegible]	[illegible]	[illegible]	[illegible]
BioR A s	726	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	73	[illegible]	[illegible]	[illegible]	[illegible]
BlairCp	187	[illegible]	[illegible]	[illegible]	[illegible]
BlountT	352	[illegible]	[illegible]	[illegible]	[illegible]
BogenC	206	[illegible]	[illegible]	[illegible]	[illegible]
Bogen wt	880	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	355	[illegible]	[illegible]	[illegible]	[illegible]
Brandywn s	696	[illegible]	[illegible]	[illegible]	[illegible]
BrilDig n	190	[illegible]	[illegible]	[illegible]	[illegible]
CE Frnk g	333	[illegible]	[illegible]	[illegible]	[illegible]
CIM	87	[illegible]	[illegible]	[illegible]	[illegible]
Calprop	741	[illegible]	[illegible]	[illegible]	[illegible]
Calton pf	242	[illegible]	[illegible]	[illegible]	[illegible]
Celestal g	170	[illegible]	[illegible]	[illegible]	[illegible]
Cambior	281	[illegible]	[illegible]	[illegible]	[illegible]
CdnOc g s	555	[illegible]	[illegible]	[illegible]	[illegible]
CanyonRs	1596	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] n	268	[illegible]	[illegible]	[illegible]	[illegible]
CFCda g	718	[illegible]	[illegible]	[illegible]	[illegible]
CentSe	80	[illegible]	[illegible]	[illegible]	[illegible]
ChadThr	132	[illegible]	[illegible]	[illegible]	[illegible]
CharlsFS s	94	[illegible]	[illegible]	[illegible]	[illegible]
Chiel	299	[illegible]	[illegible]	[illegible]	[illegible]
Chfint pf	105	[illegible]	[illegible]	[illegible]	[illegible]
ChFFn	402	[illegible]	[illegible]	[illegible]	[illegible]
Cognitm	557	[illegible]	[illegible]	[illegible]	[illegible]
ColLb	1429	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	68	[illegible]	[illegible]	[illegible]	[illegible]
Comforce	855	[illegible]	[illegible]	[illegible]	[illegible]
Cominc g	186	[illegible]	[illegible]	[illegible]	[illegible]
CncdAsl	99	[illegible]	[illegible]	[illegible]	[illegible]
Cncd wt	112	[illegible]	[illegible]	[illegible]	[illegible]
Compltek	98	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	822	[illegible]	[illegible]	[illegible]	[illegible]
CnsMed	614	[illegible]	[illegible]	[illegible]	[illegible]
Cross	115	[illegible]	[illegible]	[illegible]	[illegible]
ecCrwnL	477	[illegible]	[illegible]	[illegible]	[illegible]
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Cycomm	181	[illegible]	[illegible]	[illegible]	[illegible]
DI Ind	635	[illegible]	[illegible]	[illegible]	[illegible]
DairyA	73	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	736	[illegible]	[illegible]	[illegible]	[illegible]
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DevnE	1546	[illegible]	[illegible]	[illegible]	[illegible]
DigRCT	114	[illegible]	[illegible]	[illegible]	[illegible]
Diodes	234	[illegible]	[illegible]	[illegible]	[illegible]
Drewlnd s	78	[illegible]	[illegible]	[illegible]	[illegible]
EZ Serv	784	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	7375	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	87	[illegible]	[illegible]	[illegible]	[illegible]
Edtek	1615	[illegible]	[illegible]	[illegible]	[illegible]
ElPasoE	1156	[illegible]	[illegible]	[illegible]	[illegible]
Emeritus	702	[illegible]	[illegible]	[illegible]	[illegible]
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FlAust	213	[illegible]	[illegible]	[illegible]	[illegible]
FAusPr	2247	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	163	[illegible]	[illegible]	[illegible]	[illegible]
ForstLb	528	[illegible]	[illegible]	[illegible]	[illegible]
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FrnkSel	141	[illegible]	[illegible]	[illegible]	[illegible]
FreqEl	337	[illegible]	[illegible]	[illegible]	[illegible]
GA Fncl	72	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	939	[illegible]	[illegible]	[illegible]	[illegible]
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Gencor	252	[illegible]	[illegible]	[illegible]	[illegible]
GnAuto	70	[illegible]	[illegible]	[illegible]	[illegible]
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GiantFd	1388	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	163	[illegible]	[illegible]	[illegible]	[illegible]
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GoVideo	210	[illegible]	[illegible]	[illegible]	[illegible]
GldStarR	2983	[illegible]	[illegible]	[illegible]	[illegible]
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HalEP	72	[illegible]	[illegible]	[illegible]	[illegible]
Halsey	279	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] n	2227	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	198	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	325	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	325	[illegible]	[illegible]	[illegible]	[illegible]
Harken	1684	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro s	3772	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	281	[illegible]	[illegible]	[illegible]	[illegible]
HlthPro	149	[illegible]	[illegible]	[illegible]	[illegible]
Heartland	75	[illegible]	[illegible]	[illegible]	[illegible]
Hearx	1074	[illegible]	[illegible]	[illegible]	[illegible]
HiShearT	180	[illegible]	[illegible]	[illegible]	[illegible]
HollyCp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ImpOil g	270	[illegible]	[illegible]	[illegible]	[illegible]
IntegTc n	110	[illegible]	[illegible]	[illegible]	[illegible]
InCPd	426	[illegible]	[illegible]	[illegible]	[illegible]
InterDig	1854	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	370	[illegible]	[illegible]	[illegible]	[illegible]
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IRIS	91	[illegible]	[illegible]	[illegible]	[illegible]
IntTlgh	66	[illegible]	[illegible]	[illegible]	[illegible]
Intrsystn	120	[illegible]	[illegible]	[illegible]	[illegible]
IonLaser	136	[illegible]	[illegible]	[illegible]	[illegible]
IvaxCp	6375	[illegible]	[illegible]	[illegible]	[illegible]
JTS Corp	3844	[illegible]	[illegible]	[illegible]	[illegible]
JanBell	228	[illegible]	[illegible]	[illegible]	[illegible]
KV Ph A	123	[illegible]	[illegible]	[illegible]	[illegible]
KatzM	78	[illegible]	[illegible]	[illegible]	[illegible]
Keane s	2329	[illegible]	[illegible]	[illegible]	[illegible]
KeyEng	915	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	344	[illegible]	[illegible]	[illegible]	[illegible]
LXR Bio	987	[illegible]	[illegible]	[illegible]	[illegible]
LaBarg	296	[illegible]	[illegible]	[illegible]	[illegible]
LarTech	112	[illegible]	[illegible]	[illegible]	[illegible]
LsrTc wt	159	[illegible]	[illegible]	[illegible]	[illegible]
LnHK 98wt	115	[illegible]	[illegible]	[illegible]	[illegible]
LehSTC wt	285	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	172	[illegible]	[illegible]	[illegible]	[illegible]
MC Shp	83	[illegible]	[illegible]	[illegible]	[illegible]
MSR	389	[illegible]	[illegible]	[illegible]	[illegible]
MagnHunt	341	[illegible]	[illegible]	[illegible]	[illegible]
MalibuEnt	141	[illegible]	[illegible]	[illegible]	[illegible]
MedrnPh n	148	[illegible]	[illegible]	[illegible]	[illegible]
MedcR	127	[illegible]	[illegible]	[illegible]	[illegible]
Media	247	[illegible]	[illegible]	[illegible]	[illegible]
MediaLog	181	[illegible]	[illegible]	[illegible]	[illegible]
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Metromda	1936	[illegible]	[illegible]	[illegible]	[illegible]
MidAmRty	112	[illegible]	[illegible]	[illegible]	[illegible]
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MoogA	188	[illegible]	[illegible]	[illegible]	[illegible]
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MSNIk 97wt	957	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible] n	128	[illegible]	[illegible]	[illegible]	[illegible]
Muniest	385	[illegible]	[illegible]	[illegible]	[illegible]
NTNCom	880	[illegible]	[illegible]	[illegible]	[illegible]
NVR	158	[illegible]	[illegible]	[illegible]	[illegible]
Nabors	3394	[illegible]	[illegible]	[illegible]	[illegible]
NatBev s	151	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	285	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	4530	[illegible]	[illegible]	[illegible]	[illegible]
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NA Vacc	512	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	217	[illegible]	[illegible]	[illegible]	[illegible]
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Numac	83	[illegible]	[illegible]	[illegible]	[illegible]
NCAPI	118	[illegible]	[illegible]	[illegible]	[illegible]
OSullvnC	70	[illegible]	[illegible]	[illegible]	[illegible]
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Oncor	243	[illegible]	[illegible]	[illegible]	[illegible]
Oncormd	197	[illegible]	[illegible]	[illegible]	[illegible]
Organgn s	748	[illegible]	[illegible]	[illegible]	[illegible]
PC Quote	514	[illegible]	[illegible]	[illegible]	[illegible]
PGECap pf	145	[illegible]	[illegible]	[illegible]	[illegible]
PLC Sys	1320	[illegible]	[illegible]	[illegible]	[illegible]
PLM	133	[illegible]	[illegible]	[illegible]	[illegible]
PacG&E n	68	[illegible]	[illegible]	[illegible]	[illegible]
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PegGld	4324	[illegible]	[illegible]	[illegible]	[illegible]
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PhxNet	327	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	299	[illegible]	[illegible]	[illegible]	[illegible]
PlyR B	70	[illegible]	[illegible]	[illegible]	[illegible]
PrdLg	526	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] s	238	[illegible]	[illegible]	[illegible]	[illegible]
PropCT s	86	[illegible]	[illegible]	[illegible]	[illegible]
PsycCp	263	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	68	[illegible]	[illegible]	[illegible]	[illegible]
QC Opt n	124	[illegible]	[illegible]	[illegible]	[illegible]
RF Pow	75	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	546	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	162	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	720	[illegible]	[illegible]	[illegible]	[illegible]
Riser	297	[illegible]	[illegible]	[illegible]	[illegible]
Rogers	121	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	4485	[illegible]	[illegible]	[illegible]	[illegible]
SC Bcp	142	[illegible]	[illegible]	[illegible]	[illegible]
SaboPet s	5527	[illegible]	[illegible]	[illegible]	[illegible]
SFeGP pf	164	[illegible]	[illegible]	[illegible]	[illegible]
Schab	181	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] n	241	[illegible]	[illegible]	[illegible]	[illegible]
Servotr	75	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	248	[illegible]	[illegible]	[illegible]	[illegible]
Softnet	68	[illegible]	[illegible]	[illegible]	[illegible]
ecSoligen	142	[illegible]	[illegible]	[illegible]	[illegible]
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SPDR	24475	[illegible]	[illegible]	[illegible]	[illegible]
SP Mid	928	[illegible]	[illegible]	[illegible]	[illegible]
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SubstAbus	1277	[illegible]	[illegible]	[illegible]	[illegible]
Sulcus	228	[illegible]	[illegible]	[illegible]	[illegible]
SunNur	92	[illegible]	[illegible]	[illegible]	[illegible]
SupSig	175	[illegible]	[illegible]	[illegible]	[illegible]
SuretyC	66	[illegible]	[illegible]	[illegible]	[illegible]
TabPrd	85	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	84	[illegible]	[illegible]	[illegible]	[illegible]
TelDta	618	[illegible]	[illegible]	[illegible]	[illegible]
TexBiotch	357	[illegible]	[illegible]	[illegible]	[illegible]
TexBl wt	110	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] n	138	[illegible]	[illegible]	[illegible]	[illegible]
Thermed	477	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] n	294	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] s	2715	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] s	1079	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	298	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	238	[illegible]	[illegible]	[illegible]	[illegible]
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Tipperary	80	[illegible]	[illegible]	[illegible]	[illegible]
TopSrce	162	[illegible]	[illegible]	[illegible]	[illegible]
TWA	1975	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible] n	81	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	639	[illegible]	[illegible]	[illegible]	[illegible]
USFGP	120	[illegible]	[illegible]	[illegible]	[illegible]
UTI Eng	286	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] wt	100	[illegible]	[illegible]	[illegible]	[illegible]
Unilab	321	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	1297	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	625	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	939	[illegible]	[illegible]	[illegible]	[illegible]
US Cel	290	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	137	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	4523	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	8277	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtE	345	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] g	342	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] wt	159	[illegible]	[illegible]	[illegible]	[illegible]
Vitronic	164	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	121	[illegible]	[illegible]	[illegible]	[illegible]
WRIT	290	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	88	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	130	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	134	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	120	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	150	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] s	895	[illegible]	[illegible]	[illegible]	[illegible]
WEB HK	80	[illegible]	[illegible]	[illegible]	[illegible]
WEB [illegible]	194	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jap	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WEB Mal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WEB Sng	517	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	3351	[illegible]	[illegible]	[illegible]	[illegible]
Xytron	288	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7183.18	7196.02	7094.48	7169.53	+32.91
Trans	2630.49	2630.79	2591.96	2601.20	-16.03
Util	224.57	225.05	222.54	223.66	-0.28
Comp	2247.39	2249.97	2219.19	2236.63	+1.97

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	975.36	955.58	965.13	969.86
Transp.	602.97	591.34	597.58	594.56
Utilities	194.74	191.78	193.51	193.55
Finance	93.53	91.16	92.35	93.34
SP 500	829.09	811.84	820.26	824.83
SP 100	812.76	795.10	803.33	808.54

NYSE

	High	Low	Last	Chg.
Composite	430.41	425.12	429.23	+2.33
Industrials	544.06	537.40	543.16	+3.11
Transp.	394.11	389.10	390.73	-1.53
Utility	269.08	265.81	266.82	
Finance	392.33	387.31	391.05	+3.15

Nasdaq

	High	Low	Last	Chg.
Composite	1342.73	1325.85	1335.20	+4.37
Industrials	1073.34	1062.77	1069.08	+3.29
Banks	1428.53	1423.96	1426.55	-4.17
Insurance	1482.11	1472.14	1480.23	+6.18
Finance	2744.13	2734.75	2743.43	+9.16
Transp.	887.27	880.48	883.22	-0.77

AMEX

High	Low	Last	Chg.
573.93	570.95	573.80	+2.85

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	101.99	102.25
10 Utilities	98.68	99.01
10 Industrials	105.31	105.50

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Chrysler s	56892	[illegible]	[illegible]	[illegible]	[illegible]
PhilMor s	50286	[illegible]	[illegible]	[illegible]	[illegible]
FordM	46112	[illegible]	[illegible]	[illegible]	[illegible]
Exxon s	41433	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	40330	[illegible]	[illegible]	[illegible]	[illegible]
IndoSatel	40184	[illegible]	[illegible]	[illegible]	[illegible]
Compaq	39888	[illegible]	[illegible]	[illegible]	[illegible]
AT&T s	37198	[illegible]	[illegible]	[illegible]	[illegible]
GenMotr	35657	[illegible]	[illegible]	[illegible]	[illegible]
CocaC	34152	[illegible]	[illegible]	[illegible]	[illegible]
GenElec	33879	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	32966	[illegible]	[illegible]	[illegible]	[illegible]
GreenTrF	32930	[illegible]	[illegible]	[illegible]	[illegible]
PepsiCo	32628	[illegible]	[illegible]	[illegible]	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
Cisco	134583	[illegible]	[illegible]	[illegible]	[illegible]
PrmLasr	128380	[illegible]	[illegible]	[illegible]	[illegible]
Intel	116143	[illegible]	[illegible]	[illegible]	[illegible]
3Com	87431	[illegible]	[illegible]	[illegible]	[illegible]
WorldCm s	86163	[illegible]	[illegible]	[illegible]	[illegible]
Cephln	83730	[illegible]	[illegible]	[illegible]	[illegible]
Microsft s	72946	[illegible]	[illegible]	[illegible]	[illegible]
PetsMart s	72797	[illegible]	[illegible]	[illegible]	[illegible]
ApldMat	58719	[illegible]	[illegible]	[illegible]	[illegible]
Ascend	53801	[illegible]	[illegible]	[illegible]	[illegible]
Oracle	47248	[illegible]	[illegible]	[illegible]	[illegible]
SunMic s	46914	[illegible]	[illegible]	[illegible]	[illegible]
Intdeci	41594	[illegible]	[illegible]	[illegible]	[illegible]
DellCpt s	37135	[illegible]	[illegible]	[illegible]	[illegible]
ParTch s	33455	[illegible]	[illegible]	[illegible]	[illegible]

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	24475	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	8065	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	7375	[illegible]	[illegible]	[illegible]	[illegible]
IvaxCp	6375	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	6277	[illegible]	[illegible]	[illegible]	[illegible]
SaboPet s	5527	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	4530	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	4523	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	4485	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	4402	[illegible]	[illegible]	[illegible]	[illegible]

Trading Activity

NYSE

	Close	Prev.
Advanced	1546	1440
Declined	965	1109
Unchanged	845	799
Total issues	3356	3348
New Highs	112	110
New Lows	11	14

Nasdaq

	Noon	Prev.
Advanced	1831	1957
Declined	1418	2047
Unchanged	2207	1721
Total issues	5456	5735
New Highs	73	96
New Lows	88	86

AMEX

	Close	Prev.
Advanced	309	268
Declined	220	270
Unchanged	181	179
Total issues	710	717
New Highs	13	[illegible]
New Lows	5	9

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	441.94	653.02
Amex	17.19	26.64
Nasdaq	504.92	620.05

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Current Inco Shrs	-	.205	5-30	6-13
SPLIT				
Computer Horizons 3 for 2 split.				
Cooper Cameron 2 for 1 split.				
Manugistics 2 for 1 split.				
INCREASED				
Cherokee Inc	Q	.20	5-14	5-30
Marriott Intl	Q	.09	6-27	7-17
Teleglobe Inc g	-	.15	6-16	6-30
SPECIAL				
Fst Fincl W MD	-	.19	5-19	5-28
INITIAL				
Asia Sat Telecom	b	.129	5-14	6-11
Century Fin Cp n	-	.11	7-18	7-31
REGULAR				
Applied Pwr A	Q	.03	5-20	6-2
Coachmen Ind	Q	.05	5-22	6-12
Coastal Corp	Q	.10	5-30	7-1
ESELCO Inc	Q	.28	8-1	8-15
Ecolab Inc	Q	.16	6-17	7-15
Evergreen Cap	Q	.09	6-3	6-17
Finova Group	Q	.24	6-2	7-1
Fremont Gen	Q	.15	6-30	7-31
Greenfield Ind	Q	.05	6-10	6-30
Guarantee Lf	Q	.06	5-30	6-16
Harleysville Ntl	Q	.22	6-12	6-30
Jefferson Svgs	Q	.10	5-20	6-3
LSB Indust	S	.03	6-16	7-1
Macerich Co	Q	.44	5-21	6-4
Mid-Atlantic Rlty	Q	.24	5-31	6-13
Niagara Mo	Q	.406	6-9	6-30
Onex Corp g	Q	.11	7-10	7-31
Pittway Corp	Q	.0667	6-13	7-2
Pulte Corp	Q	.06	6-13	7-1
Renaissance Re	Q	.25	5-22	6-5
SCPIE Hold	Q	.05	6-16	6-30
Sigma Aldrich	Q	.0625	6-2	6-16
Sizeler Prop	Q	.22	5-30	6-3
Storage Tr	Q	.425	6-16	7-15
Thomson Corp	Q	.145	5-22	6-16
US Surgical	Q	.04	5-30	6-13
Wabash Ntl	Q	.03	7-14	7-28
West	Q	.29	6-6	6-30
Worthin	Q	.025	6-27	7-25

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

May 9, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
May 97	297¼	289¼	292	+4	9,386
Jul 97	288½	285½	288	+3½	129,094
Sep 97	273¼	270	273	+3¼	26,269
Dec 97	272	268¾	271¾	+3	108,437
Mar 98	277¼	275½	277	+3¼	11,463
May 98	281	279¼	281	+3½	1,218
Jul 98	285	283	285	+3	2,560
Est. sales N.A. Thu's. sales 64,713					
Thu's open int 291,722 off 1872					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
May 97	305.40	300.20	304.20	+2.90	9,422
Jul 97	295.20	291.30	294.20	+2.30	54,255
Aug 97	287.30	277.20	280.80	+2.90	15,424
Sep 97	261.00	258.00	259.50	+0.50	8,917
Oct 97	237.50	235.50	237.30	+2.10	9,735
Dec 97	228.00	225.50	228.00	+2.80	18,403
Est. sales N.A. Thu's. sales 26,890					
Thu's open int 119,221 up 1535					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
May 97	24.52	24.30	24.44	-0.02	1,029
Jul 97	24.90	24.59	24.70	-0.04	51,365
Aug 97	24.94	24.75	24.86	-0.04	13,168
Sep 97	25.04	24.85	24.98	-0.04	8,046
Oct 97	25.10	24.93	25.01	-0.06	8,160
Dec 97	25.35	25.11	25.22	-0.10	19,136
Est. sales N.A. Thu's. sales 21,277					
Thu's open int 101,778 off 254					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
May 97	894½	886½	894½	+7	3,949
Jul 97	890	882¼	889	+5	105,286
Aug 97	861	853½	861	+6¼	19,398
Sep 97	765	762	764	+1¼	8,783
Nov 97	712	708½	711	+2½	47,729
Est. sales N.A. Thu's. sales 57,710					
Thu's open int 190,060 off 1571					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
May 97	407	403	405	+5	338
Jul 97	415	418	417¾	+4¾	57,012
Sep 97	421	417	420	+5¾	12,850
Dec 97	432	428	431	+5¼	16,074
Est. sales N.A. Thu's. sales 18,781					
Thu's open int 87,666 up 1039					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Jun 97	66.15	64.77	66.10	+1.27	34,439
Aug 97	66.40	65.12	66.37	+1.07	30,141
Oct 97	69.52	68.60	69.47	+0.77	16,218
Dec 97	71.20	70.37	71.17	+0.70	9,143
Feb 98	71.47	70.75	71.42	+0.60	5,282
Apr 98	73.10	72.60	73.10	+0.42	1,514
Est. sales N.A. Thu's. sales 18,952					
Thu's open int 96,737 up 46					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
May 97	75.35	73.97	75.15	+1.20	3,719
Aug 97	77.52	76.10	77.40	+0.97	9,174
Sep 97	77.30	75.85	77.27	+1.02	1,782
Oct 97	77.50	76.10	77.45	+1.07	2,971
Nov 97	79.00	77.90	78.95	+0.80	1,554
Jan 98	79.80	78.90	79.80	+0.87	358
Est. sales N.A. Thu's. sales 2,509					
Thu's open int 19,667 up 33					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Jun 97	85.50	84.75	85.00	+0.15	16,811
Jul 97	86.65	85.77	86.12		7,289
Aug 97	84.12	83.40	83.55	-0.25	6,933
Oct 97	76.30	75.70	76.07	+0.07	5,337
Dec 97	73.20	72.75	72.92	-0.02	3,424
Est. sales N.A. Thu's. sales 12,901					
Thu's open int 42,489 up 848					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
May 97	90.37	88.37	88.90	-1.47	510
Jul 97	91.67	89.40	90.10	-1.47	6,809
Aug 97	91.07	89.07	89.30	-0.97	1,635
Est. sales N.A. Thu's. sales 2,508					
Thu's open int 9,296 up 43					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
May 97	1430	1429	1430	+18	100
Jul 97	1441	1420	1440	+18	31,158
Sep 97	1467	1455	1467	+15	13,457
Dec 97	1494	1483	1494	+14	17,948
Mar 98	1522	1513	1522	+16	30,323
May 98	1542	1527	1542	+16	8,553
Est. sales 4,309 Thu's. sales 3,143					
Thu's open int 93,603 off 73					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
May 97	239.50	226.75	239.00	-1.00	512
Jul 97	218.50	214.75	217.90	+1.00	14,958
Sep 97	195.75	192.00	195.55	+1.05	6,907
Dec 97	174.00	171.75	173.75	+0.65	4,751
Mar 98	161.00	159.25	161.00	+1.00	1,897
Est. sales 5,747 Thu's. sales 7,556					
Thu's open int 29,480 off 602					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Jul 97	10.89	10.77	10.88	+0.04	73,579
Oct 97	10.70	10.63	10.70	+0.01	37,436
Mar 98	10.62	10.56	10.61	-0.02	23,842
May 98	10.56	10.51	10.56	-0.03	3,515
Est. sales 9,237 Thu's. sales 5,958					
Thu's open int 145,911 up 422					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
May 97	75.60	73.90	73.90	-0.50	402
Jul 97	77.00	74.30	75.40	+0.55	17,743
Sep 97	79.90	77.10	78.00	+0.75	6,398
Nov 97	81.60	79.80	80.75	+0.70	3,074
Est. sales N.A. Thu's. sales 1,093					
Thu's open int 30,114 off 43					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
May 97	354.10	343.80	343.80		1
Jun 97	349.50	344.60	347.40	+4.60	72,948
Jul 97			346.10		
Aug 97	352.00	347.80	352.00	+4.50	18,717
Oct 97	354.00	352.20	354.00	+3.80	6,400
Dec 97	357.10	355.00	357.00	+3.90	21,638
Feb 98	357.80	356.00	356.00		4,686
Apr 98	361.00	361.00	361.00	+2.40	3,096
Jun 98	363.50	363.50	363.50	+2.00	6,749
Est. sales N.A. Thu's. sales 48,222					
Thu's open int 164,348 off 2600					
HI GRADE COPPER (NCMX) 25,000 lbs - cents per lb.					
May 97	112.50	111.10	112.20	+0.05	3,515
Jun 97	112.20	111.50	112.00	+0.15	2,861
Jul 97	111.95	110.30	111.60	+0.15	26,088
Aug 97	109.60	109.40	109.60	+0.05	1,427
Sep 97	108.65	107.30	108.20		5,348
Oct 97	107.00	107.00	107.00	+0.15	1,003
Nov 97			105.80	+0.15	1,159
Dec 97	105.00	104.30	104.60	+0.20	6,395
Jan 98			103.30	+0.50	495
Est. sales N.A. Thu's. sales 11,361					
Thu's open int 52,792 up 1942					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
May 97	487.00	480.50	483.00	+0.90	256
Jun 97	476.00	476.00	476.00	-7.60	2
Jul 97	492.50	484.00	488.50	+2.50	56,275
Sep 97	495.00	490.80	493.00	+2.10	5,421
Dec 97	504.00	494.00	499.50	+1.20	7,333
Jan 98	502.50	502.50	502.50	+1.90	18
Mar 98	509.50	507.00	507.00	+1.80	7,342
May 98			511.10		2,710
Est. sales N.A. Thu's. sales 19,919					
Thu's open int 84,968 off 1439					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 97	389.40	380.30	389.20	+9.70	12,835
Oct 97	390.00	384.00	390.00	+9.10	3,083
Jan 98			393.10		1,180
Est. sales N.A. Thu's. sales 3,322					
Thu's open int 16,980 off 100					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1643½	1644½	1647.00	1648.00
Forward	1664.00	1665.00	1668.00	1669.00
Copper Cathodes (High Grade)				
Spot	2439.00	2441.00	2458.00	2460.00
Forward	2388.00	2389.00	2396.00	2397.00
Lead				
Spot	610.00	611.00	620½	621½
Forward	621½	622½	632.00	633.00
Nickel				
Spot	7730.00	7740.00	7690.00	7700.00
Forward	7830.00	7835.00	7798.00	7800.00
Tin				
Spot	5855.00	5865.00	5855.00	5865.00
Forward	5895.00	5905.00	5890.00	5900.00
Zinc (Special High Grade)				
Spot	1313½	1314½	1302.00	1303.00
Forward	1333.00	1334.00	1323.00	1324.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Jun 97	94.73	94.70	94.71	+0.04	5,834
Sep 97	94.53	94.49	94.50	+0.03	3,721
Dec 97			94.48		847
Est. sales N.A. Thu's. sales 337					
Thu's open int 9,555 up 22					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	105-40	105-08	105-29	+14	224,639
Sep 97	105-19	105-16	105-16	+14	5,841
Dec 97			104-51		20
Est. sales N.A. Thu's. sales 48,335					
Thu's open int 230,500 up 199					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 97	107-18	106-27	107-09	+07	307,455
Sep 97	107-04	106-20	106-27	+08	37,636
Dec 97	106-09	106-09	106-09	+02	1,943
Est. sales N.A. Thu's. sales 101,874					
Thu's open int 347,034 up 3639					
US TREASURY BONDS (CBOT) 8 pct-$100,000-pts & 32nds of 100 pct					
Jun 97	110-14	109-16	109-31	+05	513,367
Sep 97	110-01	109-08	109-19	+05	64,493
Dec 97	109-00	109-00	109-08	-02	9,858
Mar 98			108-25		1,756
Est. sales N.A. Thu's. sales 424,349					
Thu's open int 590,302 up 26482					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
May 97	94.31	94.26	94.30	+0.02	24,179
Jun 97	94.25	94.18	94.23	+0.04	11,282
Jul 97	94.17	94.11	94.15	+0.03	6,036
Est. sales N.A. Thu's. sales 2,656					
Thu's open int 46,123 up 426					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun97	114-24	114-01	114-07	+0-11	216,709
Sep97	114-31	114-14	114-17	+0-14	4,416
Est. sales: 114,068. Prev. sales: 110,368					
Prev. open int.: 221,125 up 16,181					

	High	Low	Latest	Chge	Opint
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun97	102.14	101.70	101.77	+0.06	264,417
Sep97	101.14	100.79	100.79	+0.08	26,808
Est. sales: 148,895. Prev. sales: 110,284					
Prev. open int.: 291,225 up 4,974					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun97	129.88	129.28	129.30	+0.32	114,271
Sep97	129.58	129.49	129.58	+0.31	6,470
Est. sales: 57,996. Prev. sales: 35,758					
Prev. open int.: 120,941 up 1,664					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	129.82	129.62	129.74	+0.22	149,682
Sep 97	128.20	128.18	128.20	+0.22	11,297
Dec 97	97.60	97.60	97.62	+0.22	0
Est. volume: 57,328. Open int.: 160,973 off 2,286.					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Mar 97			92.09		518
May 97	94.18	94.16	94.16	+0.03	41,206
Jun 97	94.12	94.04	94.09	+0.04	473,078
Jul 97	94.05	94.00	94.02	+0.04	7,451
Sep 97	93.94	93.83	93.92	+0.07	427,372
Dec 97	93.74	93.60	93.70	+0.08	331,523
Mar 98	93.64	93.49	93.60	+0.08	239,685
Jun 98	93.51	93.38	93.48	+0.09	227,598
Sep 98	93.43	93.30	93.39	+0.08	162,670
Dec 98	93.31	93.24	93.28	+0.08	124,881
Mar 99	93.31	93.24	93.27	+0.07	95,442
Jun 99	93.27	93.20	93.22	+0.06	78,611
Est. sales N.A. Thu's. sales 454,538					
Thu's open int 2,642,200 up 14063					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6272	1.6144	1.6212		37,737
Sep 97	1.6200	1.6110	1.6186		1,053
Dec 97	1.6182	1.6100	1.6160		108
Est. sales N.A. Thu's. sales 13,722					
Thu's open int 38,898 off 690					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Jun 97	.7248	.7197	.7204		68,097
Sep 97	.7290	.7239	.7246		6,245
Dec 97	.7305	.7277	.7262		1,420
Est. sales N.A. Thu's. sales 6,714					
Thu's open int 76,713 up 33					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5958	.5868	.5940		85,089
Sep 97	.5996	.5920	.5981		3,537
Dec 97	.6021	.5979	.6021		368
Est. sales N.A. Thu's. sales 29,302					
Thu's open int 89,116 up 1414					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.8450	.8123	.8338		76,970
Sep 97	.8519	.8238	.8445		1,959
Dec 97	.8615	.8462	.8570		724
Est. sales N.A. Thu's. sales 28,988					
Thu's open int 79,663 off 576					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.7080	.6941	.7052		45,595
Sep 97	.7145	.7050	.7125		2,299
Dec 97	.7205	.7164	.7200		412
Est. sales N.A. Thu's. sales 26,816					
Thu's open int 48,356 up 1686					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Jun 97	.12520	.12400	.12430		17,464
Sep 97	.12055	.11980	.11980		9,883
Dec 97	.11595	.11540	.11540		6,550
Est. sales N.A. Thu's. sales 12,377					
Thu's open int 35,015 up 1738					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun97	93.47	93.44	93.45	+0.01	113,377
Sep97	93.24	93.20	93.21	+0.01	99,589
Dec97	93.09	93.04	93.05	+0.03	84,353
Mar98	92.99	92.93	92.94	+0.03	58,039
Jun98	92.91	92.85	92.87	+0.03	48,793
Sep98	92.86	92.79	92.81	+0.04	28,520
Dec98	92.83	92.76	92.78	+0.05	24,233
Mar99	92.81	92.73	92.77	+0.06	16,238
Est. sales: 69,585. Prev. sales: 96,845					
Prev. open int.: 503,338 up 4,173					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
May97	N.T.	N.T.	96.81	Unch.	4,803
Jun97	96.80	96.78	96.78	-0.01	228,701
Jul97	N.T.	N.T.	96.78	Unch.	1,422
Sep97	96.75	96.73	96.74	+0.01	212,656
Dec97	96.64	96.61	96.62	+0.01	225,732
Mar98	96.53	96.49	96.50	+0.03	197,022
Jun98	96.36	96.32	96.34	+0.03	152,424
Sep98	96.16	96.13	96.14	+0.03	121,809
Dec98	95.93	95.89	95.90	+0.03	79,475
Mar99	95.70	95.66	95.67	+0.03	67,535
Est. sales: 109,497. Prev. sales: 76,871					
Prev. open int.: 1,409,847 up 3,450					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.35	96.32	96.34	+0.00	67,362
Sep 97	96.46	96.41	96.43	-0.01	58,440
Dec 97	96.46	96.43	96.44	+0.00	37,237
Mar 98	96.40	96.37	96.39	+0.01	27,224
Jun 98	96.29	96.26	96.29	+0.03	23,458
Sep 98	96.14	96.12	96.14	+0.02	21,273
Dec 98	95.93	95.91	95.92	+0.03	13,803
Mar 99	95.69	95.66	95.69	+0.04	12,907
Est. volume: 49,049. Open int.: 281,212 up 593.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun97	93.30	93.22	93.24	Unch.	111,883
Sep97	93.60	93.54	93.56	+0.01	78,974
Dec97	93.75	93.69	93.70	-0.01	54,166
Mar98	93.79	93.73	93.74	+0.01	34,443
Jun98	93.77	93.71	93.73	+0.03	24,483
Sep98	93.71	93.66	93.68	+0.04	7,498
Dec98	93.60	93.59	93.59	+0.05	1,711
Mar99	93.52	93.49	93.49	+0.05	1,425
Est. sales: 45,418. Prev. sales: 48,946					
Prev. open int.: 314,533 up 3,463					

	High	Low	Latest	Chge	Opint
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Jul 97	72.30	71.68	72.05	-0.07	40,711
Oct 97	73.70	73.15	73.60	+0.15	3,078
Dec 97	74.67	74.10	74.45	-0.11	23,847
Mar 98	75.85	75.45	75.50	-0.35	3,676
May 98			76.17		837
Est. sales N.A. Thu's. sales 5,222					
Thu's open int 73,509 up 236					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jun 97	55.10	54.00	54.65	+0.27	34,971
Jul 97	54.95	54.20	54.80	+0.28	29,474
Aug 97	55.20	54.85	55.20	+0.20	14,733
Sep 97	55.80	55.60	55.80	+0.10	9,358
Oct 97	56.55	56.00	56.35	-0.10	8,230
Nov 97	57.30	57.25	57.30	+0.10	7,436
Dec 97	57.90	57.60	57.90	+0.05	14,093
Jan 98	58.30	58.00	58.30	+0.05	8,076
Feb 98	57.85	57.85	57.85	-0.10	3,688
Est. sales N.A. Thu's. sales 27,313					
Thu's open int 139,865 up 2316					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jun 97	20.55	20.18	20.43	+0.09	84,778
Jul 97	20.48	20.28	20.41	+0.07	63,486
Aug 97	20.36	20.13	20.31	+0.03	32,458
Sep 97	20.30	20.11	20.15	-0.08	19,231
Oct 97	20.18	20.03	20.15	-0.03	15,701
Nov 97	20.13	20.04	20.05	-0.08	14,451
Dec 97	20.14	19.98	20.08	-0.01	33,800
Jan 98	20.14	20.13	20.13	+0.06	14,703
Feb 98	20.02	20.02	20.02	-0.03	8,221
Mar 98	20.03	19.90	20.03		6,339
Est. sales N.A. Thu's. sales 129,902					
Thu's open int 394,619 up 320143					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jun 97	2.309	2.195	2.235		39,202
Jul 97	2.310	2.190	2.240		29,190
Aug 97	2.301	2.200	2.235		19,110
Sep 97	2.280	2.200	2.230		15,867
Oct 97	2.299	2.215	2.235		17,581
Nov 97	2.398	2.305	2.320		7,866
Dec 97	2.528	2.430	2.440		12,230
Jan 98	2.550	2.470	2.490		11,517
Feb 98	2.450	2.380	2.400		8,272
Mar 98	2.320	2.265	2.275		6,527
Est. sales N.A. Thu's. sales 50,169					
Thu's open int 216,137 up 5859					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jun 97	63.10	62.30	62.80	+0.30	46,070
Jul 97	61.90	61.15	61.65	-0.23	21,707
Aug 97	60.60	60.10	60.35	+0.08	9,143
Sep 97	59.10	58.90	58.90	-0.07	3,643
Oct 97	57.25	56.75	57.23	+0.16	2,670
Nov 97	56.40	56.30	56.37		1,726
Dec 97	56.02	55.75	56.02		3,944
Est. sales N.A. Thu's. sales 36,862					
Thu's open int 93,239 up 1354					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
May 97	171.25	169.00	170.75	+1.75	13,976
Jun 97	169.25	167.50	167.50	Unch.	23,949
Jul 97	170.00	168.25	168.50	-0.25	8,442
Aug 97	171.75	170.25	170.25	-0.25	7,423
Sept 97	173.75	172.50	172.00	-0.25	3,297
Oct 97	175.00	174.25	174.00	Unch.	3,712
Nov 97	176.25	176.25	175.25	Unch.	1,598
Dec 97	177.50	175.75	176.25	+0.25	7,343
Est. sales: 28,500. Open int.: 74,086 off 2,749					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
June 97	18.94	18.63	18.93	+0.24	32,850
July 97	18.80	18.58	18.76	+0.12	72,107
Aug 97	18.85	18.63	18.76	+0.07	21,162
Sep 97	18.85	18.63	18.76	+0.03	10,411
Oct 97	18.86	18.70	18.81	-0.02	6,869
Nov97	18.86	18.70	18.82	+0.02	5,765
Dec97	18.85	18.80	18.82	+0.02	9,091
Jan98	18.75	18.75	18.79	+0.02	7,278
Est. sales: 47,228. Open int.:170,864 off 3,603					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	832.50	818.50	825.20	+2.65	185,187
Sep 97	841.00	829.00	833.80	+2.70	8,225
Dec 97	845.00	845.00	845.00	+4.35	3,354
Est. sales N.A. Thu's. sales 96,644					
Thu's open int 197,532 up 755					
FTSE 100 (LIFFE) £25 per index point					
Jun97	4665.0	4597.0	4651.0	+67.0	64,909
Sep97	N.T.	N.T.	4684.0	+68.0	3,559
Dec97	N.T.	N.T.	4726.0	+69.0	320
Est. sales: 22,112. Prev. sales: 15,752					
Prev. open int.: 70,788 up 2,406					
CAC 40 (MATIF) FF200 per index point					
May 97	2640.0	2612.0	2615.0	-15.00	25,496
Jun 97	2612.5	2587.0	2590.5	-15.50	23,654
Jul 97	N.T.	N.T.	2590.0	-15.00	50
Sep 97	2627.0	2601.0	2605.0	-14.00	10,414
Est. volume: 11,527. Open int.: 69,144 off 444.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,588.20
Reuters	1,970.80	1,966.30
D.J. Futures	161.52	161.01
CRB	249.53	248.07

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Chief Defends Action

was "scant evidence of any imminent resurgence of inflation at the moment; there also appears to be little slack in our capacity to produce."

In the closest he came to a warning that the Fed might have to raise rates again this month, he added: "Should the expected slowing in the growth of demand fail to materialize, we would need to address any emerging pressures in product and credit markets."

■ **Stocks Rise, Cautiously**

Stocks rose Friday as a weak dollar lifted exporting companies and the broader market struggled to decide whether or not Mr Greenspan would raise interest rates, news agencies reported.

The Dow Jones industrial average closed up 32.91 points, at 7,169.53, while the Standard & Poor's 500 share index gained 4.57 at 824.83. Advancing issues outnumbered declining ones on the New York Stock Exchange by a 7-to-5 ratio.

The price of the benchmark 30-year Treasury bond rose 14/32 of a point, to 96 21/32, taking the yield down to 6.89 percent from [illegible] percent Thursday.

Big exporters such as Coca-Cola and Procter & Gamble rose; a weaker dollar makes their goods more affordable overseas. Coke closed up [illegible] at 65⅝, and P&G gained 2 to 132[illegible]

Some cyclical issues also rose as some investors decided U.S. rates were not heading higher. Caterpillar closed up 2⅝ at 96⅞.

"There's still very little in the way of inflation pressure, and the economy is still expanding," said Jim Solloway, director of research at Argus Research Corp. "These are the factors that augur for increased stock valuations." But uncertainty over the interest-rate issue kept many buyers on the sidelines.

McDonald's held back the Dow, falling [illegible] to 53[illegible] on reports the sales of its Big Mac sandwich have slumped since the world's largest restaurant chain instituted a low-priced menu. McDonald's denied the reports.

Cephalon shares plunged [illegible] after a report that its drug for treating Lou Gehrig's disease failed to win the backing of a U.S. Food and Drug Administration advisory panel.

Chrysler was the most actively traded issue on the Big Board, rising [illegible] after workers at a Detroit engine plant ratified a new contract, ending a four-week strike.

Premier Laser Systems rose [illegible] to 13[illegible] after the medical-laser maker's dental laser became the first in the United States approved for treating tooth decay. [illegible] began the week at [illegible]

[illegible]

Shortfall Is Expected In German Revenue

New Data May Dim Hopes for Euro

Compiled by Our Staff From Dispatches

FRANKFURT — The government's latest tax estimates for 1997, due Thursday, are expected to show a shortfall in revenue that will cast further doubts on Germany's ability to meet criteria for European economic and monetary union.

Investors throughout Europe will be looking for a clear signal from the government on how it plans to plug the hole in its budget, otherwise speculation over a delay of monetary union may resurface in financial markets and extinguish the recent rally in European bond markets.

"The higher the tax shortfall, the more concern there will be over a delay to EMU," said David Brickman, an economist at Yamaichi International Ltd. in London. "A lot depends on how the government responds to it. They need to reinspire confidence in the project."

With just seven months to go for EU countries to get their economies in shape to qualify for the launching of the single currency, the euro, budget-cutting has become a top priority. The German government is struggling to cut its deficit to the 3 percent of gross domestic product needed to qualify for the union.

High unemployment and lackluster growth have reduced tax receipts and burdened the government's efforts. Total tax revenue, including federal, state and local collections, will probably fall short of November's 1997 estimate by 15 billion Deutsche marks ($8.8 billion), according to a survey by Bloomberg News.

In November, the government estimated it would collect 822.2 billion marks in taxes this year. The opposition Social Democratic Party expects the May estimate to show revenue 20 billion DM down on the November forecast.

The government will probably opt to freeze spending to cover part of the shortfall, economists said.

Oskar Lafontaine, head of the Social Democrats, said Friday he had rejected a government invitation to further talks on tax reform.

The chance for agreement has been missed because the government rejected the Social Democrats' call for reductions in taxes and other withholdings in 1998, a year earlier than now planned, Mr. Lafontaine said in an interview with Westdeutsche Allgemeine Zeitung.

(Reuters, Bloomberg)

■ **RWE's Profit Rises**

RWE AG, Germany's largest utility, said Friday that net profit rose 6.8 percent in the nine months through March amid rising sales by its chemicals, oil and construction divisions, Bloomberg News reported.

Net profit rose to 878 million DM from 822 million in the year-earlier period. Sales rose to 52.932 billion DM from 49.103 billion.

Bank Austria Posts Large Drop in Profit

Bloomberg News

VIENNA — Bank Austria AG said Friday that its group net profit for 1996 fell an unexpectedly large 39 percent as Austria's largest bank restructured several of its units.

The bank released its final 1996 earnings a week early to follow stock-exchange rules because it announced a 3 billion schilling ($248 million) share sale to take place June 5.

Bank Austria, which took over its rival, Creditanstalt-Bankverein AG in January, said net profit fell to 1.59 billion schillings from 2.59 billion schillings in 1995.

"It is even more disappointing than estimated," Michael Richter, an equity analyst at Epicon Asset Management in Vienna, said.

The bank said it had spent more money than anticipated on its restructuring.

Analysts said they did not expect the combined bank's earnings to improve in the next months because of the high cost of folding Creditanstalt's operations into the parent company.

Small Holders Hit, Italian-Style

Reuters

MILAN — Italy's long-suffering small shareholders lost out again this week in a complex deal linking the country's largest retailer, La Rinascente SpA, with Auchan SA of France, analysts said.

"This new deal is very much a typical Italian job with the big players in Italy dictating the terms, and the small shareholders following," a Milan-based broker said.

Under the terms of the deal announced Tuesday, IFIL SpA, a holding company affiliated with the Agnelli family, would place its 40.5 percent Rinascente stake into a joint IFIL-Auchan company. Auchan, which is privately owned, would pay 1 trillion lire ($589.8 million) for a share in the new holding company, which would will be 51 percent owned by IFIL, with Auchan holding 49 percent.

Auchan, meanwhile, would sell Rinascente five shopping centers in Italy for about 530 billion lire.

Auchan has the option to buy an additional 1 percent of the holding company within 10 years.

Minority shareholders watched helplessly as news of the deal cut the value of Rinascente stock 9 percent this week. On Friday, Rinascente shares rose 61 lire, to 8,520.

Analysts said that while the link-up has commercial sense, minority shareholders in Rinascente will pay the bill in the form of a 780 billion lire capital increase, while Auchan is even not required to make a public offer to buy their shares.

The deal will cost Auchan a net 470 billion lire to increase its presence in Italy, while for Rinascente, it will bring in a European partner with great expertise, analysts said.

With IFIL still controlling the new company, the Italian stock market authority, Consob, ruled there was no need for Auchan to make a public bid for Rinascente.

The deal brings together Auchan's five Italian commercial centers with Rinascente's 25; many of the centers have both a big supermarket and a home-improvement, or do-it-yourself, store. Combined sales should be about 9 trillion lire in 1997.

"Operationally the deal makes a lot of sense, especially linking both group's DIY operations where the sector is showing good growth in Italy," said Marie-Christine Keith of HSBC James Capel in London.

A Milan-based analyst added: "Auchan gets a big lift in Italy. IFIL puts its investment in safe hands, but Rinascente's small shareholders will pay for this."

OPEC Struggles to Stem Output

Bloomberg News

ISFAHAN, Iran — OPEC wants to limit its output to shore up slumping oil prices, the group's secretary-general said Friday.

"We are going to try and restrain ourselves," Rilwanu Lukman said at an oil conference here. He said all nations at the talks had pledged to help hold down oil production, now at an 18-year high.

While some analysts doubted that the Organization of Petroleum Exporting Countries would succeed in curtailing production, oil ministers from seven of the group's 11 members said Thursday that their nations should stick to OPEC's production quotas. The oil ministers meeting in Isfahan included those from Venezuela and Nigeria, the OPEC members that are currently exceeding their quotas by the greatest amount.

OPEC ministers will meet in Vienna on June 25 to try to set a new supply target. The group's production target now is 25,033,000 barrels a day, but its members have exceeding it by a combined 2 million barrels a day in recent months, contributing to a 25 percent drop in oil prices this year, to $18.50 a barrel for Brent crude in trading Friday.

Mr. Lukman said: "We don't want the price to fall below $18 a barrel. We want it to be nearer the $21 target price."

The Libyan oil minister, Abdalla Salem Badri, estimated that OPEC's revenue had fallen by $14 billion so far this year because of the drop in oil prices. Asked what guarantees OPEC could give that it would not exceed its target, the Iranian oil minister, Gholamreza Aghazadeh, said, "We have to be very careful now."

Analysts were skeptical, however, noting that none of the ministers had offered a plan to cut excess output and that OPEC does not penalize countries that exceed their quotas.

Fokus Seeks Help in Fending Off Suitor

Bloomberg News

TRONDHEIM, Norway — Fokus Bank ASA, Norway's fifth-largest bank, said Friday it was holding talks with Union Bank of Norway, the third-largest bank, about a cooperation agreement that could prevent a takeover of Fokus by a group of savings banks.

Sparebankgruppen AS, a group of Norwegian savings banks that has made an offer for Fokus Bank, maintained its bid and issued a statement describing the talks as "a hostile step which will have direct disadvantages for the shareholders."

Sparebankgruppen also said it had extended its takeover bid for Fokus by two weeks. The bid was to have expired Friday.

Fokus Bank's shares closed at 69 kroner ($9.71), down 1 krone. Union Bank's primary capital certificates traded at 207 kroner, down 3.

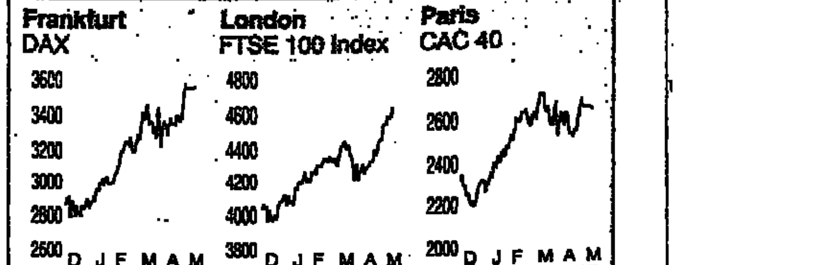
■ **Spin-Off at Norsk Hydro?**

The Norwegian industrial giant Norsk Hydro ASA may spin off its Hydro Seafood division and list it separately on the Oslo bourse, Reuters reported from Oslo.

Hydro Seafood is the world's leading salmon farmer, but Norsk Hydro's management has never hidden the fact that its seafood activities were not among the company's core interests, the report said.

The division had sales of 1.5 billion kroner last year. After recent acquisitions, its revenue is now about 2 billion kroner a year despite lower prices, it said.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	780.81	775.99	+0.62
Brussels	BEL-20	2,225.98	2,234.75	-0.39
Frankfurt	DAX	3,562.41	3,551.98	+0.29
Copenhagen	Stock Market	557.07	556.48	+0.11
Helsinki	HEX General	3,006.65	3,002.04	+0.15
Oslo	OBX	608.64	608.57	+0.01
London	FTSE 100	4,630.90	4,580.40	+1.10
Madrid	Stock Exchange	531.68	525.85	+1.11
Milan	MIBTEL	12246	12272	-0.21
Paris	CAC 40	2,633.91	2,643.31	-0.36
Stockholm	SX 16	2,915.02	2,909.40	+0.19
Vienna	ATX	1,241.04	1,227.21	+1.13
Zurich	SPI	3,167.99	3,167.28	+0.02

Source: Telekurs International Herald Tribune

Very briefly:

• **Croatia's** $1 billion project to build a terminal and pipeline for liquefied natural gas may be abandoned because of a lack of interest by central European states, the Zagreb daily Vjesnik reported. The Adria LNG project, begun in 1991, hinges on whether the Italian power company **Ente Nazionale per L'Energia Elettrica** joins it and invests in its further development, the newspaper said.

• **British Telecommunications PLC** is in breach of its license over its Call Minder service and Oftel, the industry regulator, is seeking public comment on the issue by June 9. Oftel said it had received complaints about the service, which answers calls and records messages for customers who subscribe for £5 ($8.10) a quarter.

• **Siebe PLC**, a British electronics manufacturer, agreed to buy **APV PLC** for about £327 million in stock to expand its industrial valves and controls business into the food and beverage industries.

• **Slovakia** is holding talks with an unspecified Japanese car maker on the construction of a car plant in Slovakia, Prime Minister Vladimir Meciar said. "We are negotiating with one car producer from Japan about creating a plant to complete cars in Slovakia according to Japanese design and documentation but from Slovak-made components," Mr. Meciar said. Previous reports have linked **Toyota Motor Corp.** to Slovakia.

• **Sony Slovakia**, a fully owned subsidiary of Sony Corp. said it was planning to expand its Slovak operation of parts production. Sony said it would increase its local work force to 700 from the current 400 by the end of this year.

• **Bayerische Landesbank Girozentrale**, Germany's sixth-largest bank, said first-quarter operating profit rose by one-fourth, led by commission income. Operating profit rose to 397 million Deutsche marks ($233 million). Net commission income rose 30 percent and net interest income rose 4 percent, the bank said without giving exact figures. *Reuters, AFX, Bloomberg*

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	161.31	+1.01	+0.63	+8.16
Regional Indexes				
Asia/Pacific	119.73	+1.21	+1.02	-3.00
Europe	170.33	+2.40	+1.43	+5.66
N. America	185.71	-0.82	-0.44	+14.70
S. America	148.94	-0.11	-0.07	+30.16
Industrial Indexes				
Capital goods	196.23	+0.39	+0.20	+14.81
Consumer goods	184.27	+1.05	+0.57	+14.15
Energy	187.87	-0.32	-0.17	+10.05
Finance	119.16	+1.76	+1.50	+2.32
Miscellaneous	163.62	+1.73	+1.07	+1.14
Raw Materials	185.19	+1.12	+0.61	+5.59
Service	149.62	+0.66	+0.44	+8.96
Utilities	138.35	+1.02	+0.74	-3.56

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Friday, May 9

Prices in local currencies.

Telekurs

Amsterdam
AEX index: 780.81 Previous: 775.99

	High	Low	Close	Prev.
ABN-AMRO	137.80	134	137.40	136.10
Aegon	140.60	139.10	139.60	139.20
Ahold	144.50	141	143	141.50
Akzo Nobel	260.60	257.50	259.70	257.30
Baan Co.	112.50	109	110.20	111.20
Bols Wess cva	38	37.50	37.80	37.80
CSM cva	112.50	112.50	112	111.80
Dordtsche Pet	374.90	367.50	369.60	369
DSM	196.40	194.50	195.50	200.90
Elsevier	33.50	32.90	32.90	32.90
Fortis Amev	76	74.40	75.10	74.60
Getronics	63.60	62.70	63.60	63
G-Broc cva	66.20	65.20	65.30	65.60
Heineken	343.80	336	341.90	339
Hoogovens cva	90.50	89.50	90.10	89.90
Hunt Douglas	172	169.50	172	170.80
ING Group	78.40	77.50	78.30	77.70
KLM	59.80	59	59.70	58.90
KNP BT	39.70	39	39.50	39.10
KPN	69.70	68	69.70	68.10
Nedlloyd Gp	45.10	44.80	45	44.60
Nutricia	293.50	290.30	293	293.50
Oce Grinten	241.80	239	241.60	238
Philips Elec	105.60	104.10	105.10	104.20
Polygram	99.50	98.20	98.90	99.40
Randstad Hdg	186.50	184.50	184.90	183.50
Robeco	168.70	167.80	168.20	168.20
Rodamco	61	60.50	60.90	60.60
Rolinco	170	170	170	170
Rorento	109.50	109.30	109.30	109.50
Royal Dutch	358.40	355.40	356	356.20
Unilever cva	383	379.70	381.30	379.50
Vendex Intl	95.80	94.60	95.50	94.60
VNU	40.70	39.60	40.10	40
Wolters Kl cva	226.80	224.50	224.50	226.10

Bangkok
SET index: 605.43 Previous: 614.06

	High	Low	Close	Prev.
Adv Info Svc	154	147	150	154
Bangkok Bk F	232	224	226	230
Krung Thai Bk	27.50	26.25	26.75	27.75
PTT Explor	306	300	302	304
Siam Cement F	652	620	624	648
Siam Com Bk F	143	142	142	143
Telecomasia	35.75	35	35	35.25
Thai Airways	38.25	36.50	37	37
Thai Farm Bk F	145	139	142	145
Utd Comm	145	140	143	145

Bombay
Sensex 30 index: 3769.34 Previous: 3753.58

	High	Low	Close	Prev.
Bajaj Auto	877.50	823	833.50	865
Hindust Lever	1105	1079	1100	1064.25
Hindust Petm	431.75	428	429.75	429.25
Ind Dev Bk	93	89.50	89.50	88.50
ITC	409.75	404	404.50	407.25
Mahanagar Tel	292.50	284.50	288	282.50
Reliance Ind	302.75	300.25	301	300.50
State Bk India	310.50	306	306.75	305
Steel Authority	20.75	20.50	20.75	20.50
Tata Eng Loco	378.50	370	370	374.50

Brussels
BEL-20 index: 2225.98 Previous: 2234.75

	High	Low	Close	Prev.
Almanij	15050	14700	15050	14875
Barco Ind	6270	6240	6250	6200
BBL	8890	8800	8830	8960
CBR	3475	3400	3420	3490
Colruyt	14625	14350	14400	14375
Delhaize Lion	1805	1790	1795	1795
Electrabel	8170	8150	8150	8160
Electrafina	3530	3520	3520	3525
Fortis AG	6380	6290	6290	6250
Gevaert	2680	2620	2680	2785
GBL	5550	5360	5500	5360
Gen Banque	14800	14325	14375	14800
Kredietbank	13625	13350	13525	13825
Petrofina	12800	12575	12775	12575
Powerfin	5050	5020	5030	5040
Royale Belge	9600	9310	9520	9310
Soc Gen Belg	3285	3240	3250	3250
Solvay	21400	21000	21325	21300
Tractebel	15300	15225	15250	15250
UCB	96000	94500	94500	95000

Copenhagen
Stock index: 557.07 Previous: 556.48

	High	Low	Close	Prev.
BG Bank	303	298	300.30	299
Carlsberg B	412	410	410	412
Codan Fors	875	875	875	880
Danisco	393	388	389	390
Den Danske Bk	610	600	605	603
D/S Svendbrg B	320640	312000	312000	312000
D/S 1912 B	219000	217000	218000	219000
FLS Ind B	1040	1010	1030	1020
Kob Lufthavne	690	683	690	695
Nvo Nordisk B	667	659	659	666
Sophus Ber B	835	822	822	830
Tele Danmk B	332.50	329	330	328
Tryg Baltica	356	345	356	345
Unidanmark A	341	334	339	336

Frankfurt
DAX: 3562.41 Previous: 3551.98

	High	Low	Close	Prev.
AMB B	1290	1270	1280	1290
Adidas	182	179.50	180.50	178
Allianz Hdg	355	348.50	350	355
Altana	1410	1394	1406	1396
Bk Berlin	37.50	37.25	37.25	37.10
BASF	68.48	68.15	68.25	68.40
Bayer Hypo Bk	55.30	54.90	55.20	55.50
Bay.Vereinsbank	73.30	72	73.05	74.80
Bayer	67.75	66.85	67.07	66.87
Beiersdorf	89.50	87	87.30	87.50
Bewag	44.35	44	44	44.20
BMW	1495	1483	1489	1491
CKAG Colonia	166.50	165	165	166
Commerzbank	47.70	47.40	47.45	47.40
Daimler Benz	135.30	132.70	134.80	134
Degussa	79	76.20	77	78
Deutsche Bank	92.90	92.40	92.75	92.50
Deut Telekom	40	39.25	39.95	38.70
Dresdner Bank	58.20	57.70	58.18	58.20
Fresenius	370	367	363	367
Fresenius Med	153.50	152.20	152.40	155.50
Fried. Krupp	334	328	329	332
Gehe	115	114.50	114.95	113.50
Heidelbg Zmt	156	154	156	153
Henkel pfd	95.40	94.70	94.90	95.95
HEW	492	492	492	492
Hochtief	68.50	67.80	68.40	67
Hoechst	67.30	66.70	66.75	66.93
Karstadt	538	533	535	531
Lahmeyer	74.60	73.80	73.80	74.10
Linde	1288	1272	1272	1276
Lufthansa	28.40	27.55	28.10	26.85
MAN	519.50	517	519.50	519.50
Mannesmann	694	677	691.50	676.50
Metallgesellschaft	35.30	34.95	35.30	35.85
Metro	166.50	163.50	165	165
Munch Rueck R	4430	4400	4410	4440
Preussag	441	438	439	440
RWE	73.60	73.10	73.35	73.60
SAP pfd	324.70	316.50	323.30	314
Schering	169.70	168.20	168.50	169.90
SGL Carbon	242.70	239.70	239.70	240
Siemens	101.10	99.75	100.90	98.25
Springer (Axel)	1560	1560	1560	1560
Suedzucker	868	845	860	846
Thyssen	375.50	372.50	375.50	375.50
Veba	95.35	94.80	94.99	94.63
VEW	508	501	508	502
Viag	793	789	791.50	789
Volkswagen	1169.50	1157	1160	1178

Helsinki
HEX General index: 3006.65 Previous: 3002.04

	High	Low	Close	Prev.
Enso A	45	45	45	45
Huhtamaki I	227	223	227	222
Kemira	50.60	49.90	58	50
Kesko	75	74.30	75	74.70
Merita A	17.70	17.40	17.40	17.70
Metra B	143.50	142.40	143	143.70
Metsa-Serla B	39.60	39	39.50	39
Neste	138	136.70	137.20	138
Nokia A	331	325	329.50	328
Orion-Yhtymae	202	201	202	201.50
Outokumpu A	99.50	98	98.90	98.50
UPM-Kymmene	122.90	121	122.40	122
Valmet	87.80	87	87.50	88

Hong Kong
Hang Seng: 13930.80 Previous: 12740.30

	High	Low	Close	Prev.
Amoy Props	8.50	8.25	8.35	8.25
Bk East Asia	28.30	27.90	28.15	27.70
Cathay Pacific	11.90	11.75	11.90	11.80
Cheung Kong	75.25	74.25	74.50	73.50
CK Infrastruct	22.80	22.40	22.45	22.35
China Light	36.50	35.30	36	35.30
Citic Pacific	45.40	43.50	44.40	43.60
Dao Heng Bk	38.20	37.60	37.90	37.10
First Pacific	9.55	9.40	9.40	9.55
Hang Lung Dev	15.15	14.85	14.90	14.95
Hang Seng Bk	94	92.75	94	92.50
Henderson Inv	9	8.75	8.80	8.90
Henderson Ld	71.75	70.50	71	70.25
HK China Gas	12.75	12.45	12.65	12.50
HK Electric	27.65	27.25	27.60	27.10
HK Telecomm	15.90	14.20	14.55	15
Hopewell Hdgs	4.08	4	4.05	4.03
HSBC Hdgs	219	214	217	210
Hutchison Wh	63.25	62.25	63	61.75
Hysan Dev	24	23.45	23.60	23.45
Johnson El Hdg	21.25	21.20	21.25	21.20
Kerry Props	18.75	18.55	18.75	18.55
New World Dev	49.60	48.80	48.90	48.90
Oriental Press	2.93	2.83	2.85	2.83
Pearl Oriental	3.08	3.03	3.05	3.03
SHK Props	92.50	91.25	91.75	90.75
Shun Tak Hdgs	5	4.90	5	4.90
Sino Land Co.	8.40	8.20	8.30	8.25
Sth China Post	7.05	7	7	6.80
Swire Pac A	63.25	62.50	62.75	62.50
Wharf Hdgs	31.30	30.70	30.90	30.70
Wheelock	17.90	17.70	17.85	17.50

Jakarta
Composite index: 673.69 Previous: 666.84

	High	Low	Close	Prev.
Astra Intl	6225	6000	6175	6200
Bk Intl Indon	1900	1800	1875	1800
Bk Negara	1575	1500	1550	1550
Gudang Garm	10825	10300	10550	10325
Indocement	3100	3025	3050	3100
Indofood	5100	4950	4975	5125
Indosat	7125	7050	7100	7000
Sampoerna HM	10025	9850	10000	9825
Semen Gresik	5900	5825	5825	5875
Telekomunikasi	3850	3725	3850	3700

Johannesburg
All Market: 7179.41 Previous: 7162.94

	High	Low	Close	Prev.
Amalgamtd Bks	30.10	29.60	30	30
AngloAm Coal	312	311	312	312
AngloAm-Corp	285.50	283.50	285.50	285.50
AngloAm Gold	309.75	304.50	302	302
AngloAm Ind	201	199	199	199
AVMIN	16.25	16	16	16
Barlow	48.95	48.55	49	49
C.G. Smith	26	25.50	25.90	25.90
De Beers	160	158.75	159.75	159.75
Driefontein	39.75	38.50	38.30	38.30
Fst Natl Bk	31.80	31.60	31.75	31.75
Gencor	18.75	18.65	18.75	18.75
GFSA	108.50	108	108	108
Imperial Hdgs	60	59.75	59.25	59.25
Ingwe Coal	29.30	28.50	28.50	28.50
Iscor	3.22	3.19	3.19	3.19
Johnnies Indl	60.25	59.75	60	60
Liberty Hdgs	336	334	335	335
Liberty Life	125.50	123	124	124
LibLife Strat	17.05	16.40	16.30	16.30
Minorco	108	99.50	100	100
Nampak	19.15	18.50	19	19
Nedcor	91	89.75	90.75	90.75
Rembrandt Gp	47.25	46.20	46.20	46.50
Richemont	66.25	65	65	65
Rust Platinum	75.50	73.75	73.50	73.50
SA Breweries	135	133.50	134	134
Samancor	48	47.50	47.50	47.50
Sasol	56	55.25	56	56
SBIC	212	209	210	210
Tiger Oats	76.50	75.75	76.75	76.75

Kuala Lumpur
Composite: 1187.37 Previous: 1187.14

	High	Low	Close	Prev.
AMMB Hdgs	17.10	16.20	16.70	16.40
Genting	14.10	13.90	14.10	13.80
Mal Banking	26.50	26	26	26.75
Mal Intl Ship F	5.75	5.65	5.70	5.70
Petronas Gas	8.60	8.40	8.60	8.55
Proton	14.80	14.60	14.70	14.90
Public Bk	4.56	4.46	4.50	4.58
Renong	3.52	3.46	3.48	3.46
Resorts World	9.10	8.85	8.95	8.95
Rothmans PM	24.20	23.60	24	23.60
Sime Darby	8.05	7.85	8.05	8.10
Telekom Mal	18	17.60	18	17.80
Tenaga	11.80	11.50	11.70	11.50
Utd Engineers	18.40	18	18.30	18.20
YTL	10.30	10	10.10	10.20

London
FT-SE 100: 4630.90 Previous: 4580.40

	High	Low	Close	Prev.
Abbey Natl	9.26	8.80	9.15	8.85
Allied Domecq	4.37	4.27	4.29	4.37
Anglian Water	6.80	6.58	6.73	6.59
Argos	6.50	6.40	6.48	6.45
Asda Group	1.20	1.17	1.19	1.19
Assoc Br Foods	5.53	5.45	5.47	5.51
BAA	5.38	5.29	5.33	5.36
Barclays	13	12.12	12.53	12.09
Bass	8.29	8.12	8.13	8.28
BAT Ind	5.42	5.28	5.36	5.21
Bank Scotland	4.26	4.12	4.14	4.10
Blue Circle	4.29	4.25	4.25	4.28
BOC Group	9.73	9.63	9.70	9.66
Boots	7.25	7.19	7.22	7.21
BPB Ind	3.30	3.25	3.26	3.24
Brit Aerosp	13.20	13	13.07	12.94
Brit Airways	7.01	6.95	6.99	6.95
BG	1.82	1.74	1.76	1.75
Brit Land	5.96	5.89	5.96	5.88
Brit Petm	7.39	7.25	7.34	7.25
BSkyB	5.97	5.82	5.87	5.94
Brit Steel	1.52	1.48	1.50	1.48
Brit Telecom	4.55	4.50	4.52	4.52
BTR	2.37	2.28	2.31	2.28
Burmah Castrol	10.30	10.20	10.26	10.21
Burton Gp	1.55	1.53	1.54	1.54
Cable Wireless	5.19	5	5.13	5.02
Cadbury Schw	5.44	5.14	5.29	5.29
Carlton Comm	5.49	5.40	5.47	5.40
Coml Union	7.65	7.36	7.52	7.32
Compass Gp	6.72	6.68	6.68	6.68
Courtaulds	3.24	3.16	3.21	3.18
Dixons	5.37	5.28	5.30	5.37
Electrocomponents	4.01	3.98	3.99	3.98
EMI Group	12.48	12.18	12.22	12.26
Energy Group	5.25	5.08	5.20	5.07
Enterprise Oil	6.45	6.25	6.38	6.21
Fam Colonial	1.62	1.59	1.60	1.59
Genl Accident	9.80	9.54	9.72	9.54
GEC	3.71	3.67	3.68	3.68
GKN	9.58	9.41	9.47	9.55
Glaxo Wellcome	12.10	10.03	11.98	12.02
Granada Gp	9.23	9.13	9.17	9.19
Grand Met	5.20	5.12	5.17	5.20
GRE	3.11	2.91	3.07	2.89
Greenalls Gp	5.07	5.01	5.06	5.07
Guinness	5.25	5.15	5.15	5.14
GUS	6.63	6.52	6.55	6.61
Hays	5.68	5.63	5.66	5.66
HSBC Hldgs	18.02	17.23	17.90	17.26
ICI	7.76	7.60	7.71	7.60
Impl Tobacco	4.11	4.06	4.07	4.09
Kingfisher	7.51	7.11	7.15	7.19
Ladbroke	2.48	2.41	2.41	2.45
Land Sec	8.62	8.50	8.60	8.51
Lasmo	2.37	2.32	2.32	2.34
Legal Genl Grp	4.85	4.62	4.84	4.60
Lloyds TSB Gp	6.62	6.02	6.20	6.03
LucasVarity	1.96	1.89	1.93	1.90
Marks Spencer	5.16	5.04	5.15	5.06
MEPC	5.02	4.88	4.88	4.94
Mercury Asset	14	13.73	13.95	13.69
National Grid	2.35	2.30	2.30	2.34
Natl Power	5.51	5.30	5.43	5.31
NatWest	8.42	7.66	8.05	7.85
Next	6.94	6.87	6.91	6.89
Orange	2.22	2.18	2.19	2.20
P&O	6.20	6.11	6.13	6.13
Pearson	7.20	7.10	7.15	7.06
Pilkington	1.17	1.10	1.13	1.14
PowerGen	6.60	6.43	6.57	6.46
Premier Farnell	4.72	4.63	4.65	4.64
Prudential	6.71	6.43	6.68	6.44
Railtrack PP	4.47	4.37	4.37	4.48
Rank Group	4.47	4.35	4.40	4.45
Reckitt Colm	8.86	8.75	8.79	8.82
Redland	3.52	3.43	3.48	3.51
Reed Intl	6.33	6.10	6.17	6.11
Rentokil Initial	4.13	4.07	4.10	4.12
Reuters Hdgs	6.87	6.78	6.82	6.85
Rexam	3.03	2.96	2.98	3.04
RMC Group	9.56	9.42	9.56	9.46
Rolls Royce	2.50	2.43	2.43	2.47
Royal Bk Scot	6.67	5.25	5.25	5.91
RTZ reg	10.07	9.97	10.04	9.98
Royal & Sun All	5.30	5.13	5.24	5.13
Safeway	3.45	3.35	3.39	3.43
Sainsbury	3.67	3.57	3.64	3.60
Schroders	16.93	16.75	16.82	16.63
Scot Newcastle	6.94	6.88	6.94	6.87
Scot Power	3.89	3.68	3.87	3.69
Securicor	2.94	2.89	2.94	2.91
Severn Trent	7.65	7.45	7.56	7.47
Shell Transp R	11.28	11.11	11.21	11.08
Siebe	9.72	9.35	9.57	9.59
Smith Nephew	1.76	1.73	1.76	1.76
SmithKline	10.27	10.03	10.23	10.04
Smiths Ind	7.75	7.68	7.70	7.74
Sthern Elec	4.45	4.23	4.39	4.23
Stagecoach	6.20	6.11	6.13	6.20
Stand Charter	10.65	9.78	10.25	9.59
Tate & Lyle	4.52	4.48	4.50	4.51
Tesco	3.80	3.71	3.76	3.78
Thames Water	6.90	6.68	6.87	6.73
3I Group	5.24	5.19	5.22	5.19
TI Group	5.58	5.46	5.58	5.48
Tomkins	2.76	2.71	2.74	2.75
Unilever	16.77	16.27	16.77	16.45
Utd Assurance	5.17	4.83	5.15	4.83
Utd News	7.70	7.54	7.69	7.51
Utd Utilities	6.97	6.70	6.95	6.77
Vendome Lx uts	5.19	5.16	5.19	5.15
Vodafone	2.85	2.77	2.84	2.79
Whitbread	8	7.69	7.96	7.98
Williams Hdgs	3.15	3.10	3.14	3.12
Wolseley	4.91	4.82	4.85	4.89
WPP Group	2.57	2.52	2.54	2.57
Zeneca	19.42	18.37	19.27	19.25

Madrid
Bolsa index: 531.68 Previous: 525.85

	High	Low	Close	Prev.
Acerinox	23470	22800	23300	22500
ACESA	1735	1695	1705	1720
Aguas Barcelon	5790	5660	5750	5720
Argentaria	7570	7250	7530	7270
BBV	10200	10050	10200	10050
Banesto	1505	1475	1490	1455
Bankinter	23750	22810	23440	22780
Bco Centro Hisp	4740	4485	4660	4490
Bco Popular	33500	32600	33340	32500
Bco Santander	11350	11240	11300	11220
CEPSA	4795	4670	4790	4680
Continente	2490	2470	2485	2480
Corp Mapfre	7800	7710	7760	7700
Endesa	10850	10670	10680	10670
FECSA	1230	1190	1190	1215
Gas Natural	30290	29720	30000	30150
Iberdrola	1720	1690	1695	1685
Pryca	2630	2595	2605	2605
Repsol	6060	5950	5980	5960
Sevillana Elec	1360	1300	1350	1295
Tabacalera	7290	7200	7240	7180
Telefonica	3955	3895	3910	3880
Union Fenosa	1265	1250	1260	1245
Valenc Cement	1900	1885	1900	1900

Manila
PSE index: 2671.39 Previous: 2682.10

	High	Low	Close	Prev.
Ayala B	17.25	16.25	16.50	17
Ayala Land	19.50	19	19.50	19
Bk Philip Isl	146	144	145	146
C&P Homes	10.75	10.25	10.50	10.25
Manila Elec A	87.50	86.50	86.50	87
Metro Bank	600	585	590	590
Petron	8.70	8.50	8.50	8.50
PCIBank	305	300	300	305
Phil Long Dist	760	750	755	755
San Miguel B	66.50	63	65	63
SM Prime Hdg	7	6.90	7	7

Mexico
Bolsa index: 3845.71 Previous: 3821.92

	High	Low	Close	Prev.
Alfa A	46.50	46.25	46.50	46.20
Banacci B	16.82	16.78	16.78	16.64
Cemex CPO	28.10	27.90	28.10	27.75
Cifra C	12.18	12.00	12.16	12.16
Emp Modema	41.40	41.00	41.40	41.40
Gpo Carso A1	45.90	45.70	45.70	45.20
Gpo F Bcomer	1.83	1.82	1.83	1.83
Gpo Fin Inbursa	26.45	26.20	26.20	26.20
Kimb Clark Mex	30.35	30.20	30.35	30.00
Televisa CPO	98.00	98.00	98.00	97.30
TelMex L	16.70	16.60	16.68	16.50

Milan
MIB Telematico: 12246.00 Previous: 12272.00

	High	Low	Close	Prev.
Alleanza Assic	12000	11695	11695	12025
Bca Comm Ital	3765	3690	3725	3740
Bca Fideuram	4495	4435	4440	4400
Bca di Roma	1261	1231	1244	1250
Benetton	23550	22300	23300	23100
Credito Italiano	2425	2410	2425	2415
Edison	8510	8410	8440	8345
ENI	8725	8550	8550	8645
Fiat	5810	5670	5730	5725
Generali Assic	29700	29300	29450	29200
IMI	15190	14965	15055	15120
INA	2360	2310	2335	2355
Italgas	5845	5800	5805	5770
Mediaset	7570	7440	7500	7450
Mediobanca	10350	10205	10210	10210
Montedison	1085	1053	1067	1066
Olivetti	504	492	493	495
Parmalat	2590	2490	2590	2508
Pirelli	3855	3770	3855	3820
RAS	14090	13800	13800	13935
Rolo Banca	17590	17410	17550	17585
S Paolo Torino	10950	10800	10860	10875
Stet	8245	8025	8125	8165
Telecom Italia	4620	4530	4545	4560
TIM	5420	5235	5250	5320

Montreal
Industrials index: 3894.52 Previous: 3866.62

	High	Low	Close	Prev.
Bce Mob Com	43.90	43.20	43.35	43.20
Cdn Tire A	25.40	25¼	25.35	25⅛
Cdn Util A	34.70	34.25	34.40	34.30
CT Finl Svc	33.70	33½	33.70	33.70
Gaz Metro	17½	17.35	17.45	17⅛
Gt-West Lifeco	24⅝	24.15	24⅝	24
Imasco	38.35	38	38.10	38.05
Investors Grp	26.35	26.15	26.35	25.70
Loblaw Cos	18	17.70	17.80	17.80
Natl Bk Canada	16.05	15.80	16	15.80
Power Corp	30.30	30.05	30.20	30.30
Power Finl	27	26.45	26½	26.95
Quebecor B	25.90	25¼	25.85	25.80
Rogers Comm B	7.85	7.85	7.85	7.85
Royal Bk Cda	59.80	59.30	59.65	58.70

Oslo
OBX index: 608.64 Previous: 608.57

	High	Low	Close	Prev.
Aker A	134	133	134	148
Bergesen Dy A	156.50	155	156.50	155.50
Christiania Bk	23	22.80	22.80	22.80
Den norske Bk	26.80	26.60	26.70	26.60
Elkem	140.50	138	140.50	139
Hafslund A	44.50	43	44.50	44
Kvaerner Asa	363	359	363	360
Norsk Hydro	349	345	347.50	345
Norske Skog A	240	236	238.50	240
Nycomed A	105	104	104.50	105
Orkla Asa A	613	606	610	612
Petroleum GeoSvc	275	272	274.50	277
Saga Petm A	126.50	123	126	124.50
Schibsted	126.50	124	126.50	124
Transocean Off	445	440	440	440
Storebrand Asa	45.20	44.70	45.10	45

Paris
CAC-40: 2633.91 Previous: 2643.31

	High	Low	Close	Prev.
Accor	874	864	868	870
AGF	189.50	185.60	189.50	190
Air Liquide	875	860	875	869
Alcatel Alsth	645	636	637	647
Axa-UAP	366.80	362	365	363
Bancaire	738	723	738	727
BIC	904	881	898	892
BNP	246	239	244.50	242
Canal Plus	1068	1050	1060	1056
Carrefour	3770	3707	3750	3722
Casino	274.90	268.50	272.50	272
CCF	260	248.90	251.60	254.80
Cetelem	679	657	668	663
Christian Dior	867	852	852	863
CLF-Dexia Fran	546	536	540	544
Credit Agricole	1285	1272	1285	1268
Danone	875	856	860	867
Elf-Aquitaine	574	563	566	570
Eridania BS	872	855	857	872
Eurodisney	9.55	9.45	9.55	9.45
Eurotunnel	6.65	6.50	6.65	6.65
Gen. Eaux	792	778	791	789
Havas	444	438	440	442
Imetal	824	810	824	825
Lafarge	382.80	376	377.90	381
Legrand	972	959	961	975
L'Oreal	2093	2062	2067	2071
LVMH	1409	1367	1378	1395
Lyon. Eaux	556	547	551	555
Michelin B	328	323.10	326	327.90
Paribas A	373	366	372.50	369.40
Pernod Ricard	302.90	299.90	299.90	303.40
Peugeot Cit	612	602	607	605
Pinault-Print	2467	2422	2455	2455
Promodes	1969	1931	1935	1963
Renault	141	136.40	138.80	138.70
Rexel	1560	1525	1558	1560
Rh-Poulenc A	193.40	190.60	191	193.20
Sanofi	548	536	542	548
Schneider	328	319.10	319.10	328
SEB	1035	1020	1020	1045
SGS Thomson	463.50	451	456	460.10
Ste Generale	649	635	645	641
Sodexho	2770	2731	2742	2730
St Gobain	790	782	784	789
Suez	295	290.50	293.80	293
Synthelabo	705	691	695	707
Thomson CSF	187.90	184	186.50	184.60
Total B	489.50	482.50	484.30	484.40
Usinor	92.55	89.50	92.40	90.40
Valeo	376	363.10	365	374.60

São Paulo
Bovespa index: 10491.80 Previous: 10437.44

	High	Low	Close	Prev.
Bradesco Pfd	8.90	8.80	8.90	8.89
Brahma Pfd	742.00	731.00	742.00	731.00
Cemig Pfd	48.30	47.60	47.95	47.30
CESP Pfd	57.00	55.96	55.99	56.30
Copel	16.50	16.49	16.50	16.50
Eletrobras	489.99	477.00	478.00	485.00
Itaubanco Pfd	576.00	573.00	576.00	575.00
Light Servicios	485.00	477.00	485.00	477.00
Lightpar	330.00	330.00	330.00	334.00
Petrobras Pfd	228.00	220.00	223.00	227.00
Paulista Luz	168.21	167.49	168.21	167.50
Sid Nacional	37.50	37.00	37.20	37.99
Souza Cruz	9.95	9.40	9.40	9.51
Telebras Pfd	134.80	132.00	133.10	131.70
Telemig	160.00	154.00	155.90	158.00
Telerj	166.00	160.00	164.40	164.00
Telesp Pfd	330.00	319.00	327.00	319.00
Unibanco	39.80	39.60	39.80	39.80
Usiminas Pfd	1.24	1.21	1.23	1.23
CVRD Pfd	26.00	25.40	25.50	25.80

Seoul
Composite index: 687.62 Previous: 684.69

	High	Low	Close	Prev.
Dacom	95500	89000	95500	95500
Daewoo Heavy	5300	5000	5100	4990
Hyundai Eng.	17500	16800	17000	17100
Kia Motors	16000	15800	15900	15800
Korea El Pwr	26300	25900	26000	26000
Korea Exch Bk	5300	5150	5150	5200
Korea Mob Tel	395000	372000	393000	393000
LG Semicon	28200	27000	28000	27900
Pohang Iron St	51100	50500	50800	50500
Samsung Display	41700	40300	40600	41500
Samsung Elec	60000	59000	59900	59300
Shinhan Bank	10500	10200	10300	10300

Singapore
Straits Times: 2066.21 Previous: 2059.38

	High	Low	Close	Prev.
Asia Pac Brew	N.T.	N.T.	N.T.	6.60
Cerebos Pac	9.05	9	9	9
City Devlts	12.80	12.60	12.70	12.50
Cycle Carriage	15	14.90	14.90	15
Dairy Farm Int*	0.82	0.75	0.80	0.74
DBS foreign	18.30	17.80	18.30	17.80
DBS Land	5.05	4.92	4.92	5
Fraser & Neave	11.50	11.10	11.20	11.40
HK Land*	2.61	2.44	2.58	2.43
Jard Matheson*	6.70	6.15	6.70	6.10
Jard Strategic*	3.72	3.62	3.66	3.48
Keppel	6.80	6.65	6.75	6.55
Keppel Bank	3.82	3.78	3.78	3.80
Keppel Fels	4.64	4.54	4.60	4.58
Keppel Land	4.16	4.06	4.10	4.08
OCBC foreign	18.20	17.90	18.20	17.80
OS Union Bk F	10.40	10.10	10.40	10
Parkway Hdgs	5.95	5.90	5.95	5.90
Sembawang	6.70	6.60	6.60	6.70
Sing Air foreign	12.80	12.70	12.70	12.70
Sing Land	7.10	7	7	7
Sing Press F	28.40	27.80	28.30	27.60
Sing Tech Ind	3.88	3.80	3.80	3.84
Sing Telecomm	2.52	2.48	2.50	2.49
Tat Lee Bank	3.44	3.38	3.42	3.34
Utd Industrial	1.15	1.12	1.13	1.14
Utd O'Sea Bk F	15.10	14.60	14.90	14.60
Wing Tai Hdgs	4.22	4.18	4.22	4.18

*: in U.S. dollars.

Stockholm
SX 16 index: 2915.02 Previous: 2909.40

	High	Low	Close	Prev.
AGA B	105	104	105	104
ABB A	101	98	100	99
AssiDoman	215	210	210	213
Astra A	314	311	311	315.50
Atlas Copco A	208	204.50	204.50	206
Autoliv	288	274	274	290
Electrolux B	488	470	477	471
Ericsson B	270.50	262	265.50	262.50
Hennes B	1195	1182	1187	1180
Incentive A	607	561	600	562
Investor B	377	362	372	362
MoDo B	253	246.50	246.50	248.50
Nordbanken	240	237	239	240
Pharm/Upjohn	245.50	241	243.50	246
Sandvik B	206	203	204.50	204
Scania B	214	212	213	212.50
SCA B	178.50	174.50	175	178.50
S-E Banken A	86.50	83.50	86.50	84
Skandia Fors	251.50	237	237.50	241
Skanska B	338	334	335.50	335
SKF B	183.50	180	182	180
Sparbanken A	150	146.50	150	148.50
Stadshypotek A	190	190	190	190
Stora A	117	113.50	117	116
Sv Handles A	223	220.50	222.50	221
Volvo B	213	209	209	215

Sydney
All Ordinaries: 2526.80 Previous: 2504.70

	High	Low	Close	Prev.
Amcor	8.67	8.55	8.65	8.53
ANZ Bkng	8.48	8.33	8.47	8.32
BHP	18.06	17.85	18	17.83
Boral	3.95	3.85	3.87	3.88
Brambles Ind.	23.15	22.80	23.11	22.80
CBA	14.42	14.13	14.40	14.12
CC Amatil	14.80	14.55	14.75	14.65
Coles Myer	6.43	6.36	6.42	6.36
Comalco	6.62	6.55	6.60	6.56
CRA	19.70	19.42	19.65	19.40
CSR	4.79	4.75	4.77	4.75
Fosters Brew	2.63	2.61	2.62	2.60
Goodman Fld	1.66	1.63	1.65	1.65
ICI Australia	11.55	11.30	11.55	11.35
Lend Lease	24.15	23.85	24.05	23.85
MIM Hdgs	1.74	1.69	1.74	1.69
Nat Aust Bank	18.15	17.95	18.14	18.05
Nat Mutual Hdg	1.91	1.87	1.90	1.87
News Corp	6.11	6	6.04	6.01
Pacific Dunlop	3.51	3.47	3.50	3.50
Pioneer Intl	4.35	4.28	4.34	4.30
Pub Broadcast	6.60	6.45	6.58	6.40
St George Bank	8.14	8.10	8.13	8.10
WMC	7.95	7.80	7.93	7.75
Westpac Bkng	7.47	7.28	7.42	7.26
Woodside Pet	11.08	10.90	10.93	10.90
Woolworths	3.94	3.90	3.91	3.91

Taipei
Stock Market index: 8233.37 Previous: 8349.85

	High	Low	Close	Prev.
Cathay Life Ins	160	156	156	160
Chang Hwa Bk	116	114	114	117
Chiao Tung Bk	69	67.50	68	69
China Develpmt	115.50	113.50	114	115.50
China Steel	30.10	29.50	29.80	30.20
First Bank	117	114	114	117
Formosa Plastic	67	66	66	67
Hua Nan Bk	114	112	112	115
Intl Comm Bk	67.50	65.50	65.50	68
Nan Ya Plastics	70.50	69	69.50	71
Shin Kong Life	97	94	94	97
Taiwan Semi	109.50	101	109.50	102.50
Tatung	56	55	55.50	56
Utd Micro Elec	74.50	70	73.50	70.50
Utd World Chin	70	69	69	69.50

Tokyo
Nikkei 225: 19882.79 Previous: 20061.81

	High	Low	Close	Prev.
Ajinomoto	1170	1130	1140	1150
All Nippon Air	789	770	770	784
Amway	4030	3910	4000	3880
Asahi Bank	798	767	767	793
Asahi Chem	713	696	707	703
Asahi Glass	1170	1140	1160	1170
Bk Tokyo Mitsu	2090	2040	2050	2070
Bk Yokohama	535	525	525	531
Bridgestone	2800	2690	2710	2800
Canon	3220	3070	3100	3210
Chubu Elec	2080	2060	2060	2070
Chugoku Elec	2030	2010	2020	2030
Dai Nipp Print	2420	2380	2410	2410
Daiei	738	700	718	694
Dai-Ichi Kang	1490	1420	1440	1470
Daiwa Bank	425	412	419	425
Daiwa House	1380	1350	1369	1370
Daiwa Sec	876	856	859	876
DDI	8420a	8300a	8300a	8350a
Denso	3060	2910	2940	3030
East Japan Ry	5390a	5220a	5390a	5240a
Eisai	2360	2300	2330	2360
Fanuc	4290	4190	4260	4270
Fuji Bank	1510	1450	1460	1490
Fuji Photo	5060	4820	4900	5030
Fujitsu	1390	1350	1350	1390
Hachijuni Bk	1140	1130	1140	1130
Hitachi	1290	1240	1240	1280
Honda Motor	4140	4010	4030	4150
IBJ	1350	1310	1330	1320
IHI	499	483	488	489
Itochu	609	583	605	606
Ito-Yokado	6530	6460	6530	6400
JAL	527	520	520	525
Japan Tobacco	8310a	8250a	8290a	8300a
Jusco	4010	3960	4010	3920
Kajima	657	644	650	642
Kansai Elec	2200	2160	2160	2190
Kao	1520	1490	1500	1500
Kawasaki Hvy	533	517	523	532
Kawa Steel	388	373	388	386
Kinki Nipp Ry	707	700	703	707
Kirin Brewery	1190	1170	1180	1160
Kobe Steel	242	237	239	236
Komatsu	959	910	920	953
Kubota	580	571	576	576
Kyocera	7670	7520	7540	7640
Kyushu Elec	2030	2010	2010	2020
LTCB	351	342	344	348
Marubeni	508	488	499	505
Marui	2160	2120	2140	2120
Matsu Comm	3360	3190	3230	3360
Matsu Elec Ind	2280	2220	2230	2270
Matsu Elec Wk	1360	1340	1350	1370
Mitsubishi	1390	1360	1370	1340
Mitsubishi Ch	410	402	405	408
Mitsubishi El	729	710	716	719
Mitsubishi Est	1580	1550	1580	1550
Mitsubishi Hvy	854	830	830	854
Mitsubishi Mat	919	902	904	928
Mitsubishi Tr	1530	1480	1500	1510
Mitsui	979	963	970	979
Mitsui Fudosn	1410	1380	1400	1380
Mitsui Trust	830	782	810	820
Murata Mfg	5050	4950	4980	4910
NEC	1640	1590	1610	1630
Nikon	1900	1830	1870	1890
Nikko Sec	748	728	732	740
Nintendo	9330	9300	9320	9360
Nipp Express	890	874	880	887
Nippon Oil	638	629	630	625
Nippon Steel	387	377	379	385
Nissan Motor	800	774	775	805
NKK	276	265	266	276
Nomura Sec	1590	1510	1520	1560
NTT	10100b	9810a	9810a	9970a
NTT Data	4130b	3950b	3950b	4090b
Oji Paper	705	683	700	669
Osaka Gas	303	291	299	304
Ricoh	1550	1490	1510	1540
Rohm	9850	9850	9850	10200
Sakura Bk	703	680	684	693
Sankyo	3460	3300	3350	3410
Sanwa Bank	1450	1420	1430	1440
Sanyo Elec	525	499	501	524
Secom	7840	7700	7770	7830
Seibu Rwy	6270	6080	6080	6170
Sekisui Chem	1230	1200	1210	1220
Sekisui House	1210	1190	1200	1190
Seven-Eleven	8020	7890	7930	8030
Sharp	1710	1650	1660	1710
Shikoku El Pwr	1990	1960	1960	1970
Shimizu	679	663	670	660
Shin-etsu Ch	2750	2670	2680	2730
Shiseido	1700	1670	1690	1690
Shizuoka Bk	1140	1110	1140	1140
Softbank	7820	7650	7820	7660
Sony	9830	9520	9520	9720
Sumitomo	931	887	891	931
Sumitomo Bk	1550	1510	1510	1540
Sumit Chem	535	517	535	524
Sumitomo Elec	1800	1760	1780	1790
Sumit Metal	320	306	313	320
Sumit Trust	1190	1150	1150	1180
Taisho Pharm	3130	3050	3120	3090
Takeda Chem	2980	2930	2960	2930
TDK	9340	8910	9090	9270
Tohoku El Pwr	1980	1960	1970	1960
Tokai Bank	950	928	931	943
Tokio Marine	1410	1340	1360	1400
Tokyo El Pwr	2270	2220	2250	2240
Tokyo Electron	5040	4930	4940	5000
Tokyo Gas	295	287	290	295
Tokyu Corp.	658	642	642	652
Tonen	1330	1290	1320	1290
Toppan Print	1720	1650	1670	1690
Toray Ind	785	766	775	778
Toshiba	754	733	735	751
Tostem	3000	2920	2920	3000
Toyo Trust	931	903	905	900
Toyota Motor	3930	3800	3820	3940
Yamanouchi	2980	2900	2900	2940

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6212.33 Previous: 6157.44

	High	Low	Close	Prev.
Abitibi Price	23.85	23.60	23.85	23.65
Alberta Energy	31.10	30.65	31.10	30.40
Alcan Alum	49	48.15	48.70	48.45
Anderson Expl	18.40	18	18.35	18
Bk Montreal	52.35	51.80	52.15	52.10
Bk Nova Scotia	55.65	55	55.60	54⅝
Barrick Gold	35.10	34.35	35.10	34
BCE	68.45	67⅛	67.90	67.90
BC Telecomm	29½	29.15	29.35	29.35
Biochem Pharma	31⅛	29.95	29.95	29.95
Bombardier B	27.95	27.60	27.80	27.70
Brascan A	34.95	34½	34.80	34.45
Bre-x Minerals	0000	0000	0000	0000
Cameco	54⅛	51.60	52	53.05
CIBC	33.60	33	33.35	32.70
Cdn Natl Rail	55.90	55⅛	55.70	56.10
Cdn Nat Res	36.60	35.70	36.30	35⅝
Cdn Occid Pet	28.10	27.65	27.85	27.55
Cdn Pacific	37	36.40	36.85	36.65
Cominco	37.20	37	37	36.80
Dofasco	24.60	24.10	24.60	24⅛
Domtar	11½	11.40	11.40	11.40
Donohue A	29⅛	28.70	28.90	29.05
Du Pont Cda A	35.40	35	35.35	35.35
Edper Group	23.90	23.35	23.80	23.40
EuroNev Mng	42½	40.95	42⅛	41
Fairfax Finl	325	320	320	320
Falconbridge	30⅛	30.35	30⅛	30.35
Fletcher Chall A	24.10	23.85	24	23⅝
Franco Nevada	68.40	67	68.40	66.20
Gulf Cda Res	11.80	11⅛	11.65	11.20
Imperial Oil	64	63⅞	63.95	63⅝
Inco	46.55	46.10	46.45	45.85
IPL Energy	42.95	42.60	42.95	42⅛
Laidlaw B	18⅛	18⅛	18.40	18.55
Loewen Group	41⅛	40.80	40.85	40.60
Macmill Bld	19.90	19.65	19.80	19.65
Magna Intl A	77.10	75.70	76	76.55
Methanex	13.05	12.60	12.70	12.95
Moore	29.15	28⅝	29	28.90
Newbridge Net	48.95	47½	47½	47.85
Noranda Inc	31.45	30.90	31⅛	31
Norcen Energy	33⅛	32½	32½	33.20
Nthern Telecom	108.15	106½	107½	106
Nova	11.95	11⅛	11⅛	11.90
Onex	24.85	24⅛	24.85	24
Pancdn Petlm	29½	29.20	29⅛	29.15
Petro Cda	22.60	22.30	22.45	22.40
Placer Dome	26.35	25⅝	26	25.60
Poco Petlm	15.15	14.85	15	14⅝
Potash Sask	114	112.40	113.85	112.45
Renaissance	39.60	38.85	39.35	38.70
Rio Algom	35.95	35.70	35.95	35.90
Rogers Cantel B	23.60	23⅛	23.60	23.40
Seagram Co	53.80	52⅝	53½	53½
Shell Cda A	57½	56.90	57½	56.95
Stone Consold	23.80	23.60	23.80	23.60
Suncor Energy	37	35.55	35.90	34.55
Talisman Eny	44	42.60	43½	42⅝
Teck B	31	30.30	30.65	29.80
Teleglobe	44⅛	43⅝	44⅛	43.15
Telus	22.70	22.40	22.65	22.30
Thomson	29.65	29⅛	29.40	29
TorDom Bank	41.35	40.90	40.95	40.55
Transalta	16.15	16.05	16.15	16.05
TransCda Pipe	25.80	25.60	25.65	25.55
Trimark Finl	47½	46½	47.35	46.20
Trizec Hahn	30.40	30	30.40	29.80
TVX Gold	9⅛	9.05	9.15	8.95
Westcoast Eny	24.70	24.30	24.60	24.60
Weston	77	76	76⅛	76½

Vienna
ATX index: 1241.04 Previous: 1227.21

	High	Low	Close	Prev.
Boehler-Uddeh	937.45	918	930	925
Creditanst Pfd	454	450.10	453	453
EA-Generali	3140	3072	3080	3120
EVN	1617	1590	1607	1600
Flughafen Wien	514.50	495	509.90	497
OMV	1500	1410.05	1495	1448
Oest Elektriz	860	852.50	860	852.05
VA Stahl	515	493.90	515	498
VA Tech	1951	1903	1947	1926.10
Wienerberg Bau	2280	2255	2269.90	2277

Wellington
NZSE-40 index: 2212.26 Previous: 2221.11

	High	Low	Close	Prev.
Air N Zeald B	4.30	4.24	4.29	4.24
Brierly Invt	1.32	1.31	1.32	1.33
Carter Holt ord	3.27	3.22	3.22	3.26
Fletch Ch Bldg	4.16	4.14	4.14	4.18
Fletch Ch Eny	4.51	4.49	4.51	4.50
Fletch Ch Forst	2.05	2.00	2.00	2.05
Fletch Ch Paper	3.30	3.23	3.28	3.25
Lion Nathan	3.55	3.50	3.55	3.58
Telecom NZ	6.75	6.67	6.70	6.75
Wilson Horton	11.75	11.75	11.75	11.75

Zurich
SPI index: 3167.99 Previous: 3167.28

	High	Low	Close	Prev.
ABB B	1894	1849	1887	1853
Adecco B	479	475	475	475
Alusuisse R	1282	1278	1279	1282
Ares-Serono B	2100	2061	2092	2088
Atel R	850	850	850	850
Baer Hdg B	1940	1905	1953	1905
Baloise Hdg R	3140	3105	3135	3110
BK Vision	980	972	980	970
Ciba Spec Chem	134.50	130.75	131.50	133.75
Clariant R	845	823	824	840
Crd Suisse Gp R	172	167.50	169.25	167.75
Elektrowatt B	529	526	529	529
Ems-Chemie	6120	6015	6035	6120
ESEC Hdg	4690	4600	4630	4700
Holderbank B	1233	1215	1232	1210
Liechtenst LB B	482	482	482	482
Nestle R	1824	1806	1812	1819
Novartis R	1997	1978	1980	1990
Oerlikon Buehr R	151	148	148	149.50
Pargesa Hld B	1780	1765	1778	1767
PharmVisn B	770	760	770	761
Richemont A	2142	2112	2115	2125
Pirelli PC	225	224	225	226
Roche Hdg PC	12880	12675	12680	12900
SBC R	343	331	341	338
Schindler PC	1855	1830	1855	1835
SGS B	3085	3040	3040	3085
SMH B	860	841	842	858
Sulzer R	1050	1040	1045	1049
Swiss Reins R	1796	1774	1788	1777
Swissair R	1361	1335	1356	1363
UBS B	1415	1399	1400	1404
Winterthur R	1111	1084	1110	1087
Zurich Assur R	490	487.50	488	498

NASDAQ

Friday's 4 P.M.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close
(Continued)

TI Leaves Ventures in Thailand

Move Indicates Crisis in Economy Widening

BANGKOK — Texas Instruments Friday from joint ventures ... cash-strapped Al... PLC because of ... economic slump and ... instability to ob...

... pull out of the ... Thailand, sug... banking crisis ... in other in... has been venting ... an Asian ... manufacturing ... with two un... Alpha-TI ... December 1995 ... plant to make ... dynamic ran... The Al... set up to ... conductor ...

Charn ... company ... to Texas ... sentiments over ... the Amer...

... said it ... several ... cuts as ... rumors ... Texas ... ment was ... a $200 ... com...

... government ... to high... Thai... stock ... with...

... withdrawal ... economy ... fallen ... to ... shattered ...

... the ... Gore... remains to Chi... mer... employ... offices ... bridges ... Rather ... ganized ...

GENERAL

INTERNATIONAL ART EXHIBITIONS AUCTION SALES COLLECTOR'S GUIDES IN SATURDAY'S INTERNATIONAL HERALD TRIBUNE TODAY PAGE 7

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Herald Tribune

TI Leaves Ventures in Thailand

Move Indicates Crisis In Economy Widening

Compiled by Our Staff From Dispatches

BANGKOK — Texas Instruments Inc. withdrew Friday from two semiconductor joint ventures with Thailand's cash-strapped Alphatec Electronics PLC because of the country's economic slump and the Thai company's inability to obtain financing.

The decision to pull out of the ventures is a blow for Thailand, suggesting the country's banking crisis is triggering problems in other industries. Thailand has been seeking to transform itself into an Asian center for high-tech manufacturing.

The ventures were with two unlisted units of Alphatec. Alpha-TI was established in December 1995 to build a $1.2 billion plant to make 16- and 64-megabit dynamic random-access memory chips. The Alpha Memory venture was set up to build a $200 million semiconductor assembly and test facility.

Alphatec's chairman, Charn Uswachoke, said the company would pay $25 million to Texas Instruments in 12 installments over the next year to buy out the American company's stake.

Still, Texas Instruments said it would take a charge against second-quarter earnings to reflect costs associated with the joint ventures.

Mr. Charn said one reason Texas Instruments had left the venture was that Alphatec could not meet a $200 million equity-contribution commitment.

Mr. Charn urged the government to provide more support to high-technology industries because Thailand's labor-intensive products were losing market share to lower-wage countries.

Texas Instruments' withdrawal comes amid Thailand's slowest economic growth in more than a decade. The stock market has fallen sharply this year as bad loans to property developers have shattered confidence in banks and finance companies.

Thailand's economy was growing at an annual rate of more than 8 percent for the 10 years ending in 1994, but growth has since slowed dramatically and is expected to be 5 percent this year.

"A number of factors drove our financial constraints, including a significant slowdown in the Thai economy and subsequent decline in the Thai stock market," Mr. Charn said.

Alphatec shares fell 6.50 baht (25 U.S. cents) Friday, to 59.50, helping pull the benchmark SET index down 1.4 percent, to 605.43. The index is down 27 percent on the year, and Alphatec's shares have plunged 70 percent since mid-March.

(Bloomberg, Reuters, AFX)

Asia: Not Stalling, Just Shifting Gears

By Velisarios Kattoulas
International Herald Tribune

TOKYO — The Asian economic miracle is not slowly fizzling out; it is just getting going. At least, that will be the message when the Asian Development Bank meets in Fukuoka in southern Japan this weekend for its 30th annual meeting.

A study to be released Sunday will explain why Paul Krugman, the U.S. economist, and others are wrong about the end of the Asian economic miracle, officials of the development bank said.

Mr. Krugman contends that in Asia, the growth that has been led by investment in factories and the mobilization of rural workers is over. He says Asia will struggle to maintain high growth rates by raising productivity and relying on technological innovation.

In contrast, the bank's report will explain how the policies underpinning the recent success of East Asia can be adopted by poorer nations in the region, the officials said. In this way, they said, the nations of South and Central Asia and the South Pacific will experience growth rates previously common only in East Asia, maintaining Asia's role as a dynamo for global economic growth over the next 30 years.

"There is a bright future," said Peter Sullivan, vice president of the Manila-based bank. "We do not see the dire consequences that Mr. Krugman has been drawing. We believe there are reasons why growth will continue."

The region's development bank says forecasts of a slowdown are wrong.

To foster growth in South Asia, Central Asia and the South Pacific, where most of the region's 800 million poor people live, the development bank is slowly reinventing itself. It is cutting back on straight lending for basic infrastructure, its mainstay for 30 years, and instead is coaxing private companies to invest in projects backed by the bank and advising governments on economic policy.

It is also investing more in education and other social services and promoting economic cooperation among neighboring countries.

The changes have been prompted partly by massive inflows of private capital for the first time and partly by the growing reluctance of cash-strapped Western governments to fund economic development.

"Traditionally, the ADB stressed infrastructure development, ports, bridges, power, irrigation," Mr. Sullivan said.

"That was our expertise over the first 30 years, but the environment is changing."

Mitsuo Sato, its president, wants the bank to undertake one social or economic-cooperation or policy project for every basic infrastructure project. In cash terms, Mr. Sato wants to devote just 60 percent of the bank's resources to loans for infrastructure projects. The bank made $5.5 billion of loans in 1996 and expects to make around $5.7 billion this year.

To manage its switch in emphasis, the bank says it has hired employees with the expertise to meet its new goals and is reorganizing itself to give greater emphasis to the problems in specific countries.

The new officers try to persuade governments to make their nations more hospitable to investment by private companies, then they encourage private investors to take stakes in projects backed by the bank.

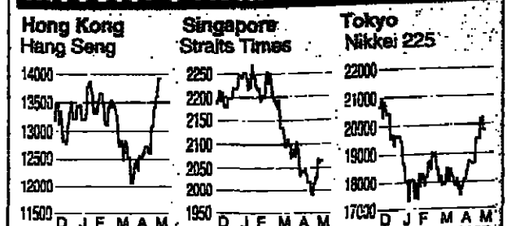
Bank officials also help governments with issues as fundamental as the transparency of regulations and laws and their enforcement; they help redesign central banks and institutions so that they adopt policies consistent with economic growth, and they advise governments on how to develop domestic financial markets.

"Compared to the past, the ADB is certainly pouring greater resources into getting rid of bottlenecks hindering development," said Masaki Omura, director of the development-institutions division at Japan's Finance Ministry.

Among social issues, the bank is paying greatest attention to primary education, women's rights, health care and environmental protection.

"We have to remember," Mr. Sullivan said, "that with all the success of Asia, the great growth that we've seen in the past few years, more than half of the world's poor still live in Asia; some 800 million are still sitting in Asia."

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,930.80	13,740.30	+1.39
Singapore	Straits Times	2,066.21	2,059.38	+0.33
Sydney	All Ordinaries	2,526.00	2,504.70	+0.85
Tokyo	Nikkei 225	19,802.78	20,261.81	-2.27
Kuala Lumpur	Composite	1,107.37	1,107.14	+0.02
Bangkok	SET	605.43	614.06	-1.41
Seoul	Composite Index	687.62	684.69	+0.43
Taipei	Stock Market Index	8,233.37	8,349.85	-1.39
Manila	PSE	2,671.39	2,682.10	-0.40
Jakarta	Composite Index	673.69	666.84	+1.03
Wellington	NZSE-40	2,312.26	2,321.11	-0.38
Bombay	Sensitive Index	3,769.34	3,753.50	+0.42

Source: Telekurs International Herald Tribune

Hong Kong Letdown

Telecom Makes 'Anticlimactic' Move

Compiled by Our Staff From Dispatches

HONG KONG — After months of speculation that Hongkong Telecommunications Ltd. would woo a new Chinese partner, investors were left cold Friday when it merely swapped one passive shareholder for another.

"This certainly is just an anticlimactic development," said Andrew Fernow, director of research at Vickers Ballas.

CITIC Pacific Ltd., China's big overseas investment company, sold its 7.74 percent stake in Hongkong Telecom to China Everbright Holdings Ltd. for $1.47 billion

Like CITIC Pacific, China Everbright is a holding company that is controlled by China's State Council.

"I don't think that there is a lot of difference between CITIC and China Everbright," said Jeff Camp, vice president at Morgan Stanley.

"My personal feeling is that CITIC is a bit more influential and certainly more high-profile." He added, "There is nothing more strategically that China Everbright brings to the table."

Analysts had expected Cable & Wireless PLC, which holds 58.5 percent of Hongkong Telecom, to be involved in a deal that might also have brought in China's Ministry of Post and Telecommunications.

"If the market was waiting for a Cable & Wireless deal, this was not it," said one analyst, who asked not to be identified. "This was more of just a shifting in shareholding."

Hongkong Telecom shares fell 45 cents to close at 14.55 Hong Kong dollars ($9.72). *(Reuters, Bloomberg)*

David J. Coulson/The Associated Press

Telecommunications boom town: Connecting wires in Shanghai.

Very briefly:

• **China** will levy a stamp tax of 0.5 percent on securities transactions beginning Saturday, the state-run Xinhua news agency said. Both sides involved in securities transactions will pay the duty, based on the market price on the day of transfer.

• **Sapura Motors Bhd.** shares soared in their debut on the Kuala Lumpur Stock Exchange. Stock in the auto-parts maker rose to 5.70 ringgit ($2.27) from an issue price of 2.10 ringgit. Sapura sold 9.5 million new shares in its initial public offering, to raise 19.9 million ringgit, most of which will be used to pay debt.

• **Schering-Plough Corp.** opened a 300 million Singapore dollar ($207.8 million) plant in Singapore, the first manufacturing plant in that country for a U.S. drugmaker. The facility will also house Schering-Plough's regional headquarters for marketing and sales.

• **Creative Technology Ltd.** shares rose 9 percent, to 28.60 Singapore dollars, after analysts predicted the company's high-quality sound cards for personal computers would not become obsolete as companies such as **Intel Corp.** incorporated sound capabilities into their central processors.

• **Filinvest Land Inc.**, a Philippine developer, expects 1997 profit to grow as much as 30 percent as earnings kick in during the fourth quarter from its planned housing developments. The company's shares, which have fallen 42 percent over the past two months amid fears of a property slump, finished at 5.40 pesos (20.5 U.S. cents), up 0.20.

• **Sony Corp.** and **Solid Group Inc.**, a Philippine assembler and distributor of Sony products, will establish **Sony Philippines Inc.** to market Sony products in the Philippines.

• **Electric Power Development Co.** and **Itochu Corp.** of Japan each plan to take a 10 percent stake in **Ormat Leyte**, a Philippine subsidiary of the U.S.-based company **Ormat Inc.** that is building a $16.7 million geothermal power plant on Leyte island. *Bloomberg, AP, Reuters*

BORDER: *Low-Skilled U.S. Workers Near Mexico Lose Jobs Because of NAFTA*

Continued from Page 9

sidering a presidential run in 2000, is preparing to use the trade issue against Vice President Al Gore, a vocal defender of NAFTA. The administration's plan to extend the free-trade pact to Chile has highlighted how well the side agreement on labor has worked. In El Paso, unemployed workers regularly picket city and state offices and camp out for weeks by border bridges, demanding better retraining and jobs. Rather than bashing Mexico, they and their organization — called La Mujer Obrera, or "the working woman" — attack American corporations and politicians.

Proponents of the trade pact say that U.S. exports to Mexico have fully rebounded since the peso's collapse and are now at their highest level ever. But labor leaders, some economists and workers themselves say that freer trade with Mexico has speeded the skewing of U.S. incomes, hurting low-skilled workers the most.

"I lost my job, my health insurance and all my other benefits," one laid-off apparel worker, Romana Melendez, told a raucous labor rally in April on the tiled central square here. "It's an injustice." El Paso, having marketed itself for decades as a low-wage haven, is responding to the loss of low-skilled employment by having its schools train workers in metal stamping, plastic injection molding and other trades. But even these jobs are becoming vulnerable to competition.

For Ms. Garcia, who applied for retraining after losing her job at Sun Apparel, those checks will come at the cost of self-respect. "I have 30 years of living in the United States," she said, "and I have never asked for welfare or food stamps. But right now, what am I going to do? All I want is a job."

Tokyo Is Hopeful on Recovery

Reuters

TOKYO — The government expressed growing confidence in Japan's economic recovery Friday, saying a recent sales tax rise would not hurt the economy much.

The Economic Planning Agency minister, Taro Aso, said the fall-off in consumer spending in reaction to this year's sales-tax rise would not pose a serious problem.

"The impact has been within expectations," he said, adding that the economy was continuing its gradual recovery and was on an upward trend. Japan raised its sales tax to 5 percent from 3 percent on April 1 as part of an effort to hold down spending and raise revenue.

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TODAY PAGE 7

Personals

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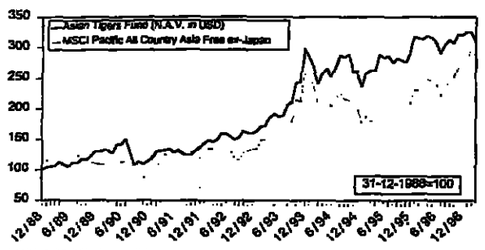

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- Some USD 67bn under management;
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We offer you:
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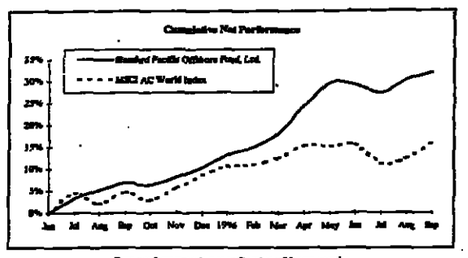
1

STANDARD PACIFIC OFFSHORE FUND, LTD.



Past performance is not indicative of future results

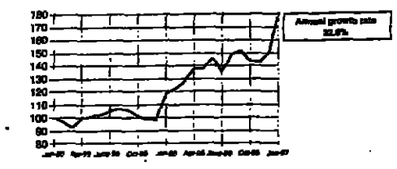
DATE	FUND	INDEX
Jul. - Dec. 1995	16.25%	8.58%
Jan. - Sep. 1996	19.74%	4.85%
Jul. 1995 - Sep. 1996	31.89%	14.13%

Andrew Midler formed Standard Pacific in 1995 after recording market leading returns with Fidelity Investments and Odyssey Partners. Standard Pacific currently manages in excess of $300 million and employs a team of 9 investment professionals. Andrew Midler, widely recognized as one of the emerging stars in the hedge fund world, manages a hedged portfolio of global equities.

For further information please contact:
Mr. Dan Fenster
Alpha Fund Management, Ltd.
48 Par La Ville Road, Suite 464, Hamilton, HM 11 Bermuda
Tel: (441) 295-9620 Fax: (441) 295-9637

2

BBL Invest Emerging Europe
BBL Equity Fund



BBL Invest Emerging Europe manages assets exceeding DEM 34.5 million. In compliance with its investment objective, BBL Invest Emerging Europe invests mainly on eastern European stock markets.

Manager's Report: despite the strong gains already scored in 1996 and reflecting a favourable interest rate environment, above-average GDP growth rates, a significant deceleration of inflation, a reallocation of international portfolios towards emerging markets and, above all, stockmarket valuations more in line with international standards, equity markets in eastern Europe continue to perform handsomely this year. For the year to date, gains in US$ terms range from over 65% in Russia to around 20% in Poland and Hungary. And yet there is no reason to believe that a speculative bubble might be in the making, for the economies in the area show favourable fundamentals (continuing GDP growth, huge infrastructure needs, population growth, decelerating inflation). Currently, the country mix of the fund is as follows: Poland 32%, Czechia 30%, Hungary 23%. Russia accounts for 5% of assets, the Baltic States for around 3%, and these two areas will be awarded a higher weighting in the next few months.

BBL Invest Emerging Europe is a sub-fund of the umbrella fund BBL Invest incorporated in Belgium. Together with its namesake BBL (L) Invest, incorporated in Luxembourg, BBL Invest offers investors a whole range of asset, country and industry funds.

Currently, BBL offers investors a choice of more than 100 sub-funds and manages fund assets in excess of BEF 525 billion (US$ 15 billion). The BBL fund range includes money market funds, bond funds, equity funds and mixed funds, as well as a "high-tech" fund (BBL Technic).

Further information: BBL Invest Info
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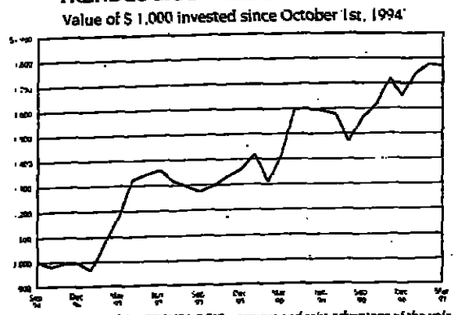
3

TrendLogic

TRENDLOGIC DIVERSIFIED PROGRAM
Value of $ 1,000 invested since October 1st, 1994*



The Fund, managed by TRENDLOGIC ASSOCIATES INC. in Greenwich, Connecticut, started trading on September 1st, 1996 and has appreciated over 19% since then. The Fund is expected to mirror the performance of the TrendLogic Diversified Program, a computerized mathematical model incorporating both long-term trend following and short-term volatility avoidance. The Program trades a diversified portfolio of 48 worldwide commodity, financial and currency markets. In October of 1996, the advisor refined its program to better follow trends as they presented themselves, and to both defend against and take advantage of the volatility so prevalent in markets today. Since the implementation of these enhancements, the TrendLogic Diversified Program has returned over 77%. *TRENDLOGIC INTERNATIONAL FUND LTD* charges a management fee of 3% and an incentive fee of 20% of net new profits. The Fund is quoted in US dollars and opens for subscription and redemption at the end of each month.

Further information can be obtained from the Administrator:

CITCO FUND SERVICES (CURAÇAO) N.V.
Tel: (599-9) 322000 Fax: (599-9) 322801

4

CREDIT LYONNAIS ROUSE

EQUITABLE HOUSE INVESTMENTS LTD

The Volatility Fund, a totally different concept in hedge funds, started trading on 1st August 1996. Its objective is to take advantage of market mispricings through volatility based trading techniques. Its trading style is similar to an institutional arbitrage and proprietary trading desk funded by investor, rather than bank capital.

The operation is jointly managed and promoted by Credit Lyonnais Rouse Ltd and Equitable House Investments Ltd. EHI is the sole investment adviser whilst CLR is responsible for administration, distribution, clearing, settlement and global custody.

The Fund uses investment techniques developed at Equitable House Investments by Dr M. Desmond Fitzgerald. The investments managed by Dr Fitzgerald have shown a compound annualised rate of return since inception in September 1993 of about 16%.

For further information please contact Bruce Thatcher:

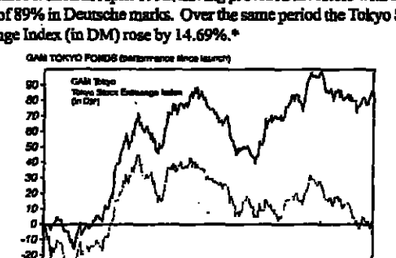
Credit Lyonnais Rouse Ltd
Broadwalk House
5 Appold Street
London
EC2A 2DA
Telephone: (44) 171 214 6620
Fax: (44) 171 638 0373

Credit Lyonnais Rouse Ltd and Equitable House Investments Ltd

5

HAVE YOUR JAPAN INVESTMENTS GROWN BY 80% IN 5 YEARS?

GAM Tokyo is the top performing of all 60 "Offshore Japan Equity" funds since launch in April 1992, having provided investors with a total return of 89% in Deutsche marks. Over the same period the Tokyo Stock Exchange Index (in DM) rose by 14.69%.*



The key to the Fund's success has been a highly selective approach to stock picking. The manager has avoided poorly performing sectors (i.e. the banks), has hedged the yen during periods of currency weakness and has recently concentrated on companies which have been benefiting from yen weakness and deregulation.

With the Japanese market down more than 40% from its peak in 1989 and many Japanese shares now attractively valued, we believe that GAM Tokyo offers excellent prospects for investors over the medium term, enhanced by a broadening economic recovery. Selectivity will, however, continue to be the key to success.

For full information on GAM Tokyo, please contact the GAM Client Services department on 0800 919 927 (UK callers only) or +44 1624 632 777 (International callers).
Alternatively, find us on the Internet at: www.dkinfo.gam.co for full details of our funds for European and UK investors.

* Source: Micropal, (% change, bid-bid, DM, gross income reinvested) and GAM. All calculations in DM.

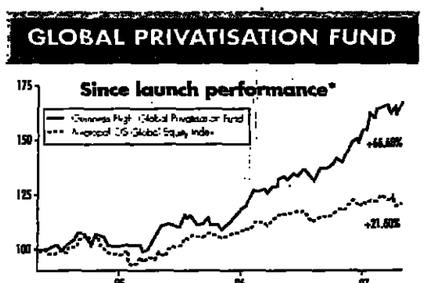
Shares in GAM Tokyo Fonds are not available for sale in any jurisdiction to which such sale would be prohibited. Subscriptions will only be received and shares issued on the basis of the current prospectus. Past performance is not a guarantee of future performance. An investor may not get back the amounts invested. UCITS funds are not available to residents of the Republic of Ireland, issued by Global Asset Management Limited (regulated by IMRO) 12 St. James's Place, London SW1A 1NX.

6

GUINNESS FLIGHT

GLOBAL PRIVATISATION FUND

Since launch performance*



- The Guinness Flight Global Privatisation Fund, a Guernsey-based distributing fund, aims to achieve growth primarily through investment in international equities. The fund will take advantage of privatisation issues globally as they occur.
- Top performing international equity growth fund over 1996, with a performance of 33.8**%.

For further information, please contact our Investor Services Department in Guernsey on:

+44 (0)1481 712176

Internet: http://www.guinness-flight.com

*Source: Micropal. Since launch (2.5.96) performance, offer to offer, gross income reinvested in US$ to 1.5.97. Since launch sector ranking, on same basis 27/42 **Source: Micropal. 1st out of 83 in offshore Global Equity Sector - Micropal UK 836 Authorised Offshore Awards 1996, offer to offer, gross income reinvested to 1.1.97 in US Dollars. Past performance is not necessarily a guide to the future. Fluctuations in the value of the underlying securities and the income from them and changes in interest and exchange rates mean that the value of this investment and the income from it may fall as well as rise and is not guaranteed. For your protection telephone calls may be recorded. Issued by Guinness Flight Hambro Asset Management Limited, regulated by IMRO and The Personal Investment Authority. 3472/97*

7

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** Provisional Fund Research Rating.
† Fund Research Rating * Authorised in Hong Kong only.
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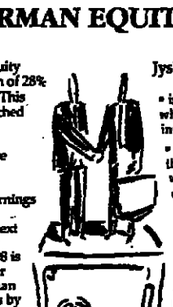
8

J.B. GERMAN EQUITY FUND



In 1996 the German equity market yielded a return of 28% measured in D-Marks. This year the return has reached 15.24%. We find that investment in German equities is still attractive because:

- German company earnings are expected to rise significantly over the next years. Faster economic growth in 1997 and 1998 is expected to cause major price rises on the German equity market, which is by tradition very cyclic.
- Recent years' recession has forced German companies to rationalise which will also tend to boost earnings.
- Interest in equity investment is growing because German interest rates are historically low.

J.B. German Equity Fund invests exclusively in large well-established quoted German companies and is one of the equity and bond funds offered by Jyske Invest.

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- offers a wide range of investment possibilities designed to meet our investors' different requirements about object, risk and time horizon.

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JYSKE INVEST
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Jyske Invest is supervised by the Danish Financial Supervisory Authority. This is to ensure that the assets are managed in accordance with the funds' Articles of Association and the relevant Danish statutory provisions, which have been adapted to the EU Directive concerning undertakings for collective investment in transferable securities.

9

Seven Magnum Funds Ranked in MAR/Hedge Top-10 Performance List for Jan 97

Two in Top Four for Previous 12 Months

Magnum funds dominated the list of top-10 performing funds of funds for January 1997, published in the March issue of *MarHedge* journal. On the list were:

	Gain for Jan 1997
1. **Magnum Russia Fund**	27.45%
2. Gems Russia Fund (B)	26.66%
3. **Magnum Russia Equity Fund**	18.13%
4. Gems Russia Fund (A)	16.64%
5. **Magnum Edge Fund**	14.41%
6. **Magnum Aggressive Growth Fund**	12.94%
7. **Magnum Opportunity Fund**	12.37%
8. **Magnum Fund**	12.29%
9. **Magnum Global Equity Fund**	12.27%
10. Gam Trading Fund Inc. (DM)	10.12%

Magnum specializes in identifying the world's leading hedge funds and then mixing and matching them into combinations of funds, or funds of funds, that blend different strategies and asset classes with the aim of providing a more stable long-term investment return than any of the individual funds.

For more information on any of the Magnum Funds, fax Magnum at: 242-356-6640 or visit www.magnumfund.com

10

Momentum

Absolute Returns in All Market Conditions

	Launch	% Return 1st Quarter 1997	% Return since inception
AssetMaster *(futures)*	30 Jun 91	+2.08	+123.79 (69 months)
StockMaster *(long/short/geared)*	31 Mar 92	+2.34	+137.90 (60 months)
Rainbow *(Fund of Funds)*	31 Dec 92	+2.75	+63.52 (51 months)

Investment Products for the Short to Long Term

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For further information please circle the appropriate number on the information coupon.

11

Old Mutual European Equity Gems

No global investor can afford to miss the opportunities offered in Europe – and who better to invest with than Old Mutual International. Over the past five years our value-orientated stockpicking approach has been consistently rewarded – making us Number One in the sector according to independent Money Management statistics.

The European Stockmarket Fund is part of our extensive range of offshore equity, bond, managed and deposit funds, fulfilling the needs of a broad spectrum of investors – from the rather adventurous to the more risk averse.

All this with the added security of investing with Old Mutual, one of the world's top life assurers. Established in 1845, Old Mutual worldwide now manages assets in excess of US$45 billion.

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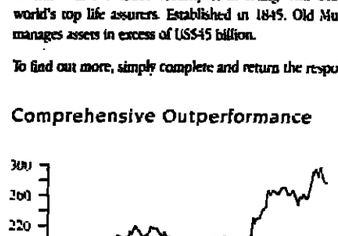
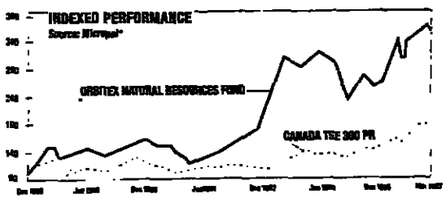
Comprehensive Outperformance



12

ORBITEX
Group of Funds

ORBITEX Natural Resources Fund



Investment Objectives and Strategy
The Fund's objective is to continue its past performance of providing the investor with a superior long term return on investment in natural resource world wide stocks.

The Outlook for Global Resource Stocks is Outstanding
The combination of high global industrial production levels, capacity utilization at near peak rates and commodity prices at near twenty year highs in real terms translates into explosive potential for resource stocks worldwide.

Risk Free: 5%	Canada TSE 300 PR (Can $)	ORBITEX Nat. Res (Can $)
Sharpe Ratio	0.1044	0.4889
Alpha	0.0000	0.6313
Beta	1.0000	0.9450
RSquared	1.0000	0.4612
Correlation (R)	1.0000	0.6791

*Source: Micropal (31 Dec. 1986 to 31 Mar 1997)

Why to invest now?
The potential is exciting – assuming one is willing to search for global resources stocks that represent the greatest value. The ORBITEX Natural Resources Fund is focusing on those – each of which represents exceptional value and the potential for significant capital appreciation.

*Source: Micropal (31 Dec. 1986 to 31 March 1997)

275.25% TOTAL RETURN* 13.77%* COMPOUND ANNUAL RETURN*

For further information contact:
ORBITEX Management Limited, Mendome House, Frederick St., PO Box N9932, Nassau, Bahamas
Tel. 242 356-6456, Fax 242 356-6875, Internet http://orbitex.com

13

Perpetual THE FUND RANGE

Fund	Launch Date	% Change Since Launch	% Change 5 Years	Fund Research Rating†
International Growth	25.1.83	+611.3	+81.6	AAA
Emerging Companies *	8.4.85	+887.8	+102.6	AAA
American Growth	21.4.84	+1097.5	+98.0	AA
Latin American Growth	31.1.95	+33.6	—	—
Far Eastern Growth	8.11.86	+433.5	+143.2	AAA
Japanese Growth	30.11.91	-6.2	-0.5	AA
Asian Smaller Markets	8.3.93	+90.7	—	AA
UK Growth	24.10.87	+387.7	+118.1	AAA
European Growth	8.11.96	+228.1	+96.6	—

GENERAL INFORMATION ON PERPETUAL UNIT TRUST MANAGEMENT (JERSEY) LIMITED
- Offers 9 offshore equity funds investing worldwide (Minimum investment: US$2000)
- Since launch, 7 funds have achieved top quartile performance
- Over the last five years, 4 out of 7 funds have achieved top quartile performance
- Offshore Portfolio Management Service, based on fund range, also available (Minimum investment: US$150,000)

All statistics are to 1st May 1997 on an offer-to-offer US Dollar basis net of any reinvested income, net of all ongoing taxes. (Source: Micropal)
† Fund Research Ltd is a leading independent qualitative research company. The top Fund Research rating is AAA.

For further information please phone our Customer Services Department on +44 (0)1534 607660, or send us a fax on +44 (0)1534 38218.

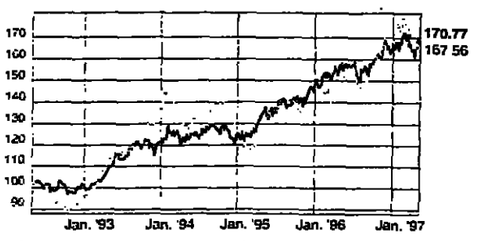
2286

14

SOGELUX FUND
EQUITIES INTERNATIONAL GROWTH

S.G.A.M.

Net Asset Value per share evolution
(Base 100 Starting Period) April 30, 1992 to April 30, 1997, (Currency: USD)
Index: MORGAN STANLEY WORLD
SOGLUX EQUITIES INTER GROWTH SG — MORGAN STANLEY WORLD



The Societe Generale Group launched the first French SICAV in 1964 and manages today more than USD 88 billion in over thirty financial market places worldwide, on behalf of private investors and institutions.
Since 1987, the Societe Generale Group has been offering a Luxembourg based mutual fund, SOGELUX FUND, today composed of 36 compartments with a total NAV of USD 761 million.
SOGELUX FUND includes:
- 18 equity compartments specialized in North America, Europe, Japan, International Growth, Gold Mines, France, Germany, Italy, Spain, Switzerland, Pacific, UK, China, Emerging Asia, Latin America, World.
- 10 bond compartments specialized in countries or geographic areas (USA, Japan, Europe, Germany, France, UK, Belgium, Switzerland, Spain, Italy) denominated in the corresponding currencies, and one worldwide diversified denominated in USD.
- 7 money market compartments: USA, Europe, Belgium, Switzerland, Germany, France, Italy.

Two compartments have been launched on April 28, 1997: SOGELUX FUND EQUITIES - INDIAN SUBCONTINENT and SOGELUX FUND EQUITIES - EASTERN EUROPE.

15

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THE REPORT

MONDAY: SPORTS

SATURDAY-SUNDAY, MAY 10-11, 1997
PAGE 15

Buyer Beware: A Deal Is Not Always a Dream

By Aline Sullivan

A SIGNIFICANT shareholding in a company targeted for takeover is the stuff of investor dreams. But when the euphoria wears off, investors on both sides of the deal often discover that what sounded so great on paper did not work in practice.

Shareholders of the acquiring company have the most to lose, of course, unless no cash changes hands. More than half the U.S. mergers and acquisitions worth $500 million or more over the past 10 years failed to create increased value for the bidder's shareholders, according to a recent study by the New York-based postmerger consultant Mercer Management Consulting. Instead, the majority of these companies produced poor returns for at least the next three years, compared with others in their industry.

The acquisition price and strategic fit are usually not the culprits. Instead, red tape and clashing corporate cultures cause mergers to fail. The much-heralded synergies never happen and the giant egos at the top of each company never learn to work together.

"It is widely believed that today's dealmakers learned some painful and expensive lessons from the ill-fated deal frenzy of the 1980s," said the report's authors, Kenneth Smith and Susan Hershman. "But the fact is that a disturbingly large proportion of acquisitions continue to destroy shareholder value rather than create it."

Arnold Kaufman, editor of Standard & Poor's Outlook newsletter in New York, agreed that many deals never stand a chance of enhancing shareholder value.

"So often the existing business is too optimistic in its prediction of benefits from efficiencies or find that the merged benefit is too large for them to run," he said. "Then the shareholders suffer."

It will take more than this evidence to dampen the enthusiasm for mergers, however. In America, corporate mergers totaled a record $183 billion worth of transactions in the first three months of this year. The finance sector is among the most frenzied, with $16.5 billion in announced transactions in the period.

The floodgates opened last spring when the federal government allowed banks to acquire big brokerage houses for the first time since the 1930s. Recent deals have included the $10 billion Chemical Bank and Chase Manhattan Bank merger and those between Bankers Trust and Alex. Brown Inc. and between Morgan Stanley Group Inc. and Dean Witter Discover & Co.

The $10.6 billion Morgan Stanley bid and the $1.7 billion Bankers Trust bid have been criticized in some corners as too generous. But the jury is still out on whether these takeovers will be successful. In the interim, some banking analysts are betting that Chase Manhattan Bank may be setting its sights on Lehman Brothers Holdings.

The relatively large sizes of these companies, compared with the securities firms they are acquiring, should help them avoid at least one mistake of an earlier financial deal. KeyCorp's 1994 merger with Society Corp. was nothing but bad news for shareholders, despite hundreds of thousands of dollars pumped into marketing and technology.

"It was too much a merger of equals," said Michael Mayo, bank analyst at Credit Suisse in New York. "By the time the management was sorted out it was too late."

The result was an 8 percent drop in profit over the following two years. Although KeyCorp's shares rose 75 percent after the merger, Standard & Poor's bank-stock index measured a 130 percent gain over the same period. Now KeyCorp. is cited by many analysts as a likely takeover target.

Also in 1994, Quaker Oats Co. paid $1.4 billion for Snapple Beverage Co. Sales of the famous iced tea and its offshoots started to deteriorate almost immediately as competition heightened. Two months ago, Quaker ended the debacle by agreeing to sell the Snapple unit to Triarc Cos. for $300 million.

Transport mergers often make great sense on paper and then run into trouble. This was particularly evident in the late 1980s, when the merger of the U.S. trucking companies Ryder International and Pacific International Express resulted in bankruptcy after they failed to integrate computer systems. Similar problems at Arkansas Best Corp. after its acquisition of Carolina Freight Corp. caused huge losses, although the company has started to recover. The 1986 merger of Texas Air Corp., People Express Airlines Inc. and Eastern Air Lines resulted in bankruptcy.

More recent mergers have involved railroads. Union Pacific Corp. and Southern Pacific Rail Corp. merged late in 1996 and Burlington Northern Inc. merged with Santa Fe Pacific Corp. in 1995. "So far, shareholders haven't seen much in savings," said Stephen Klein, transport analyst at Standard & Poor's Corp. in New York. "But the companies are still promising that we will see some improvements soon."

The communications and technology sectors are also littered with merger casualities. AT&T Corp. finally called it quits on NCR Corp. in December and sold its computer operations for $3.4 billion after buying the company for $7.48 billion in 1991 and spending several billion dollars more trying to make it work.

Worse was Sony Corp.'s $8 billion purchase of Columbia Pictures and Tristar Pictures in 1989, which resulted in a $3.2 billion write-off five years later. In another case of cross-cultural misunderstanding, Matsushita Electric Industrial Co.'s $6.1 billion purchase of MCA and Universal Studios resulted in a loss of several billion dollars before it sold an 80 percent MCA stake to Seagram Co.

Of course, many mergers are great successes. So adroitly did Percy Barnevik handle the 1987 merger of Sweden's Asea AB with the Swiss-German BBL Brown Boveri Ltd. and the brutal restructuring that followed, that the Wallenberg family has appointed him chairman of Investor AB, the Swedish family's $100 billion holding company. Investor makes frequent acquisitions, most recently the $1.3 billion purchase last year of the kidney-dialysis specialist Gambro AB.

"In many industries undergoing change and consolidation, organic growth is necessary but not sufficient to remain competitive," said the Mercer report. "Most companies that have a sustained record of growth have been aggressive on both the mergers-and-acquisition and internal fronts."

The pharmaceutical industry is certainly a case in point. The $27 billion merger between Ciba-Gigy AG and Sandoz AG last year is the latest example and, if recent history serves as any guide, should prove reasonably successful. Kevin Wilson, pharmaceuticals analyst at Salomon Brothers International in London, described the 1994 merger of Glaxo PLC and Wellcome PLC as "satisfactory" thus far.

"They have been able to reduce costs in sales and marketing and should be able to rationalize their research and development and, later, their manufacturing processes," he said.

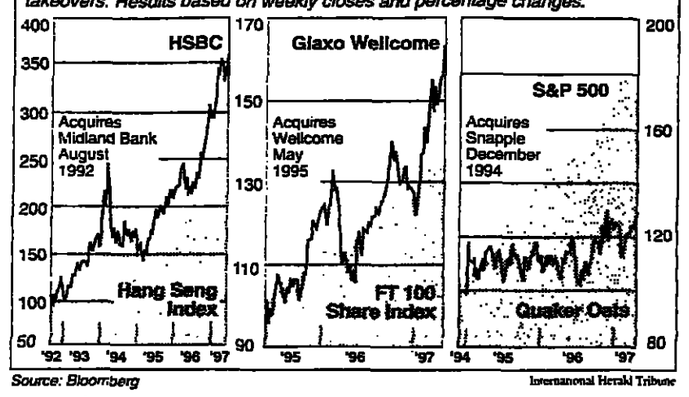
Other apparently successful mergers in rapidly consolidating industries include the $21 billion Nynex Corp. and Bell Atlantic Corp. merger; the $19 billion takeover of Capital Cities/ABC Inc. by Walt Disney Co., and Duke Power Co.'s $10 billion acquisition of PanEnergy Corp.

Events move more slowly in the oil sector. British Petroleum PLC last year entered into a $5 billion joint venture with Mobil Oil Corp. The deal, which is expected to lead to 2,300 job cuts and gains of $500 million a year, would merge the companies' European marketing and refining operations. It has been heralded by some industry analysts who see it as the first step to an eventual, and sensible, merger.

FOR A COPY of Mercer Management's report, "Making Mergers Work for Profitable Growth," contact Susan Hershman in the Toronto office, 1 416 868 2200.

After the Dust Settles

How three stocks fared, compared with their national markets, following major takeovers. Results based on weekly closes and percentage changes.



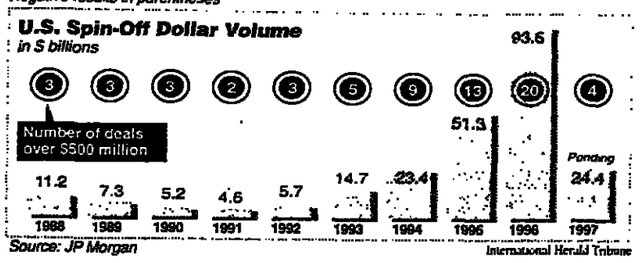
Source: Bloomberg — International Herald Tribune

Before and After

	In the three years before a spin-off, the average company had slower growth in sales, operating income and capital spending than the market as a whole:		In the three years after a spin-off, the typical former parent's results improved:		Results at the divested companies were far better than the market as a whole from the year before they were spun off (when data is first kept for them) until three years after:	
	Median gowth rate	Median growth compared with market	Median gowth rate	Median growth compared with market	Median gowth rate	Median growth compared with market
Sales	11%	(10%)	17%	Same	55%	15%
Operating income	11%	(3%)	17%	7%	72%	24%
Capital spending	(2%)	(17%)	0%	(13%)	61%	39%

Negative results in parentheses

U.S. Spin-Off Dollar Volume
in $ billions



Source: JP Morgan — International Herald Tribune

In the Wake of a Spin-Off, A Whirl of Benefits for All

By Ann Brocklehurst

LIKE THEIR former parents, companies that are spun off usually do better once the family ties have been severed. Studies have shown that not only does the stock price of spin-off companies tend to outperform that of competitors, but their operating performance is superior, as well. Despite this well-documented phenomenon, spin-off companies continue to trade at comparatively low prices immediately after they are divested, creating attractive buying opportunities for investors willing to shoulder the risk.

While it might initially seem that there must be something wrong with a company if its parent has decided to spin it off, this usually is not the case. Spin-offs have simply become "a very popular means of corporate downsizing in the 1990s," according to Randall Woolridge, a professor of finance at Pennsylvania State University. As conglomerates have become unfashionable over the past decade and companies have moved to focus on core businesses, spin-off activity in the United States rose to a peak of $93.6 billion in 1996 from $51.3 billion in 1995 and $5.2 billion in 1990, according to a J.P. Morgan & Co. study.

MERGERS & ACQUISITIONS

Divestitures announced for this year include PepsiCo's plan to spin off its fast-food business, which comprises Taco Bell, Pizza Hut and KFC; Westinghouse Electric Corp.'s decision to spin off its industrial businesses (to be called WELCO) from its broadcasting activities and American Brands Inc.'s intention to spin off its international tobacco business. High-profile past spin-offs have included Union Carbide Corp.'s spin-off of Praxair Inc., AT&T Corp.'s spin-off of Lucent Technologies Inc. and American Express Co.'s spin-off of Lehman Brothers Inc.

Spin-offs, which are defined as distributions of 80 percent or more of the shares in subsidiaries to a parent company's stockholders, are largely an American trend, due partly to the fact that their shares are distributed tax-free in the Unites States. But they have also been used elsewhere. In Britain, for example, the conglomerate Hanson Industries PLC spun off its U.S. chemical interests as Millennium Chemicals Inc.

Spin-offs do, however, need a sufficiently active and liquid stock market in order to succeed, said Jim Seward of the Amos Tuck School of Business at Dartmouth College in New Hampshire. This can pose a problem not just in emerging markets but also in countries such as Germany, where the economy is oriented more toward banks than toward the stock market and large conglomerates have little incentive to break up.

"I think not having a more active stock market will really slow the process of giving those companies the opportunity to gain the focus they need to compete" Mr. Seward said.

Because they are almost always prompted by a parent company's wish to streamline its businesses, spin-offs are not limited to any one industry or group of industries.

"They turn up all over the place," said Rick Escherich, a managing director of J. P. Morgan in New York. "They're different from the IPO market, where people say, 'Now's a good time to sell stock in this industry.'"

John Keeley, whose Chicago-based Keeley Asset Management firm specializes in buying shares of spin-off companies, said he expected U.S. corporate downsizing to continue to produce a minimum of five good spin-off opportunities per quarter.

The consensus is that successful spin-offs do well for two main reasons. First, managers are more accountable and focused after the deals than they were before them and they often are newly motivated by significant stock holdings. Second, independent companies often have increased fund-raising capabilities to finance investment and capital expenditures because they can go directly to bankers or the markets instead of having to solicit cash from a parent company, which may consider its subsidiary's business second-rate.

The stock prices of spin-off companies are further affected by a number of factors. If a parent company is part of an index and held by index funds, these funds receive shares of the spin-off, which, since it is not part of the index, they must sell. Many institutional investors prefer not to hold spin-offs that frequently fail to pay dividends at the outset and are not followed by market analysts.

"Early in their lives, the stocks are usually sold by the people who acquire them," Mr. Keeley said. "They don't know what the companies do and how to value them. It gives us an opportunity to acquire them below peer-group valuation."

He estimated that it took three to four months to effectively accumulate positions in spin-off stocks and about two years for the shares to reach peer-group valuations. His almost $200-million of accounts for institutional clients have averaged a compound annual re-

Continued on Page 17

Priming for a Merger: Anatomy of a Takeover Target

By Digby Larner

INVESTORS WITH shares in companies targeted during mergers and acquisitions are often in position to turn quick profits.

Because the predator company needs to secure the approval of the target company's shareholders, such deals often lead them to offer more than the market value of the merged company's shares in order to secure a controlling interest. Shareholders may be offered cash or stock in the newly enlarged company.

While investors sometimes have the good fortune to be caught in the middle of a successful merger, others attempt to spot merger targets in advance.

Although there can be no guarantee that a company with merger potential will be taken over, there are several common factors that identify possible targets.

Often they are businesses whose managers have failed to fulfill shareholder expectations over a long period. A company's profit relative to sales may be very low, and its shares may be undervalued. Alternatively, an otherwise good company might be a weak player in a sector that is consolidating because of factors affecting the whole industry.

For those hoping to maximize their chances of profiting from mergers, the U.S. and British markets currently have plenty of possible targets.

Elsewhere in Europe and in Asia, on the other hand, acquisitions and mergers rarely happen, especially in the developed Singapore and Japan markets, said Edmund Harriss, an Asian fund manager with Guinness Flight Asset Management in London.

There may be some limited merger activity in other Pacific countries, he said: "In Hong Kong, there are some key industry targets because of China's need to build a stake there even ahead of its transfer to Chinese rule."

The New York Times reported Friday that China Everbright Holdings Co., which is under the umbrella of China's State Council, acquired 7.74 percent of Hong Kong Telecommunications Ltd. from Citic Pacific, a publicly listed company that is also controlled, although more loosely, by Beijing. Cable & Wireless PLC controls 59 percent of Hong Kong Telecom.

Mr. Harriss said that the banking sectors in Malaysia and Thailand were going through a period of rapid consolidation. New central-bank rules aimed at liberalizing the Malaysian market offer the incentive of marketing advantages to top-tier banks with assets above 1 billion ringgit ($398 million). Banks are combining in order to qualify.

Two rumored targets are the banking arm of MBF Holdings Bhd. and Affin Holdings, Mr. Harriss said. In Thailand, consolidation has been prompted by the near-insolvency of the finance sector. The Finance One company recently took over Thai Danu Holding Bank and the merger of the smaller Nava Finance & Securities Co. and CMIC Finance & Securities Co. is also expected.

Banking and finance sectors in Europe and America are also consolidating in order to reduce overcapacity. Deregulation, the spread of technology and, in Europe, the prospect of a single currency have brought pressure on companies to merge.

In the United States, Lehman Brothers Inc. is widely thought to be a candidate, following several large finance-industry mergers. Trish Bridson, head of U.S. equities with Kleinwort Benson in London, said that investors had been disappointed with Lehman's performance and that its shares were undervalued. This, together with its good product range and client base, has attracted larger players, she said.

John Wollocombe, head of U.S. equities with Guiness Flight, said rumored interest from J.P. Morgan & Co. had driven up Lehman's share price by 11 percent in the week. "Lehman's has a particularly attractive bond portfolio, which a predator might either keep or sell off so as to alleviate the cost of a takeover," he said.

In the pharmaceutical sector, corporations have been consolidating worldwide for several years. Efforts by governments to cut health expenditure in several of the biggest pharmaceutical markets has forced companies to slash prices and to try to bolster their previously high profit margins in other ways. Mergers were an obvious choice, analysts said, because of the high number of competing businesses. Merck & Co., despite being the world's biggest-selling pharmaceutical company, had less than 4 percent of the market.

The process has also been fueled by fierce competition from the rivals of leading drug companies as patents expire on their top-selling drugs. Jim Wood-Smith, a research analyst with the British investment company Gerrard Vivian Gray, said that although pharmaceutical businesses once were able to adapt gradually to increased competition following patent expiry, there was now hardly any transition.

He said the industry was shocked by the experience of ICI's pharmaceutical arm, now part of Zeneca Group PLC, which witnessed the price and sales collapse of its market-leading heart drug, Tenormin, when its patent expired.

Mr. Wright said he believed Zeneca and SmithKline Beecham PLC were possible merger prospects. Beecham faces impending expiration of the patent on one of its leading drugs.

The U.S. pharmaceutical company Pharmacia & Upjohn Inc., itself the product of a merger, is once again a possible target, Mr. Wollocombe said.

"Since the last merger, it has failed to perform, disappointing investors three times on earnings," he said. "It has lost a number of executives and its shares have performed badly. Either it should be put out of its misery or taken over."

Merger Targets

	Reasons quoted by analysts
U.S.	
Apple Computer	poor management
Bowater	sector overcapacity
Lehman Bros	sector consolidation
Pharmacia & Upjohn	poor management
U.K.	
Dalgety PLC	poor management
Legal & General Group	sector consolidation
Norwich Union	sector consolidation
SmithKline Beecham	sector consolidation
United Biscuits	poor management
Zeneca Group	sector consolidation
HONG KONG	
Hong Kong Telecommunications	international predators
Sing Tao Ltd.	majority shareholder selling
MALAYSIA	
Affin Holdings Berhad	deregulation of finance sector
MBF Holdings	deregulation of finance sector
THAILAND	
Nava Finance and Securities	poor performing sector
CMIC Finance and Securities	poor performing sector

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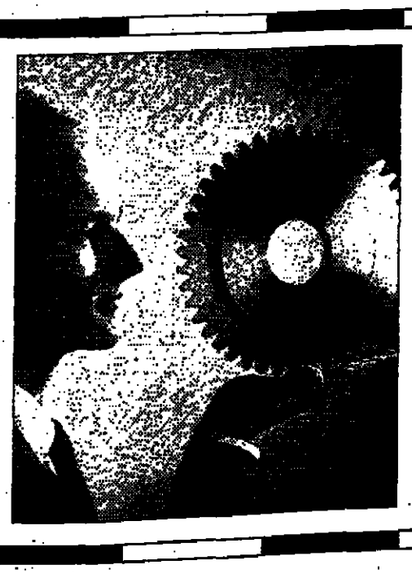

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THE MONEY REPORT

Price and Performance May Soon Make Small Beautiful Again

JAMES GLASSMAN *ON INVESTING*

SMALL IS beautiful — or, at least, it may be beautiful again in the near future. Lately, small stocks have been ugly.

Over the past 12 months, while the Dow Jones industrial average has returned a gorgeous 33.2 percent, the small-cap (as in "capitalization," or market value) stocks that make up the Russell 2000 index have returned a scraggly 6.0 percent, not much better than Treasury bills.

Small-caps have always been more volatile than large-caps (their ups and downs are 70 percent more extreme, according to Ibbotson Associates of Chicago), but that risk has been offset by high returns — an average of 12.5 percent annually since 1926, compared with 10.5 percent for large-caps. Lately, however, small stocks have been providing investors with the worst of both worlds: high risk plus low returns.

The new issue of The Chartist newsletter records the devastation to small-cap, high-volatility mutual funds for the year ending April 30: Van Wagoner Micro-Cap, down 37 percent; Govett Smaller Companies, down 38 percent, Oberweis Emerging Growth, down 27 percent, BT Small-Cap, down 28 percent.

The bear market for many small-cap stocks is already well-established, and it seems that investors are seeking large-cap stocks as safer ports for what they see as a coming storm.

So why am I enthusiastic about small companies? Because they are cheap in a market that is generally expensive. They provide "performance at a reasonable price," as a recent article in Forbes put it.

In particular, keep an eye on two kinds of small-caps, both of which limit your downside risk: 1) value stocks, that is, ones that appear to be special bargains, particularly based on the low ratio of their price to their earnings, or P/E, and 2) stocks that pay decent dividends, which give you income that can offset losses if the bear market in these stocks continues.

A good example of the values that exist today among small caps is Monaco Coach Corp., which makes high-end motor homes, a business that is expected to grow swiftly as baby boomers age. Monaco was trading last week at $20 a share, but its estimated earnings for this year are $2.15, for a P/E of just 9 — or about half that of the market as a whole. Monaco was highlighted in the April edition of Red Chip Review, a research service that specializes in small stocks.

Red Chip's recommended portfolio of 17 stocks also includes Bonded Motors Inc. (P/E, based on estimated 1997 earnings, of 13), which makes replacement engines for cars and trucks; CFI Proservices Inc. (P/E 13), which makes software for the financial services industry; Boyd's Wheels Inc. (P/E 9), aluminum wheels for autos and motocycles and SOS Staffing Services Inc. (P/E 15), temporaries.

None of these companies pays a dividend. It is common for small firms to want to plow the profits back into the business rather than doling them out to shareholders (who are doubly taxed). Still, in rough market seas like these, dividends provide good ballast.

A small-cap stock that does pay a strong dividend was recently recommended by Stephen Leeb, writing in The Big Picture newsletter. He told his clients to buy WD-40 Co., a firm named after its petroleum-based product, a multipurpose lubricant and rust-preventer that is sold in 148 companies and generated $21 million in net income last year on $131 million in sales.

WD-40 is no value stock; its P/E is 19. Mr. Leeb likes it because it pays "a rock-solid dividend, a real safety net when the market gets dicey." Yield is a hefty 4.5 percent, more than twice that of the average stock. The cash dividend, now $2.48 a share, has risen from $1.32 10 years ago. If the pattern continues, you will be earning about 10 percent in dividends alone on your original investment by the year 2007. Along with price appreciation, that is the double-whammy that dividend-payers provide.

It is not easy to find small-cap dividend stocks, but I discovered one recently on the recommended list of a fine newsletter called Invest With the Masters. It is Marsh Supermarkets Inc., with a P/E of 16 and a dividend of 3.0 percent. Marsh operates grocery and convenience stores in Ohio and Indiana. Its market cap is $117 million, about the same range as those of the Red Chip stocks (WD-40 has a cap of $430 million).

The definition of "small-cap" is a flexible one. The average market cap for stocks in the Russell 2000 is $500 million, and some small-cap mutual funds have average caps of over $700 million.

Jay Weinstein, who heads Oak Forest Investment Management in Bethesda, Maryland, specializes in smaller small-cap value stocks. He said he had "a whole portfolio of stocks that are trading at four to five times cash flow and eight to nine times earnings."

Among his favorites are Defiance Inc., an auto-parts supplier with a market cap of just $41 million and a dividend of 2.5 percent, and Anuhco Inc., a trucking and finance company with a market cap of $52 million.

"If you can find a company trading under book value, making money and buying in its shares, then you've really got something," said Mr. Weinstein. Anuhco meets those criteria. Defiance is trading about 10 percent above its book value, or net worth on the balance sheet. Most large companies trade at three times book or more.

You can also find dividend-paying small-cap value stocks among regional banks and real estate investment trusts. But judging the quality of the stocks is not easy since you need to know the nature of the loan or real estate portfolios that the companies own.

The Washington Post.

Attack of the Foraging Fund-Raiders

High Discounts Make Closed-End Funds Easy Prey for Arbitragers

By Conrad de Aenlle

CLOSED-END funds often trade at steep discounts to the value of the assets in their portfolios. As with the weather, people complain about this, but they rarely try to do anything about it. This is changing, however, as aggressive fund arbitragers and takeover specialists use financial clout, careful reading of fund bylaws and friendly and unfriendly persuasion to force down discounts to their profit.

The funds are easy marks: There are many of them and their discounts, especially in Britain, are high, about 11 percent on average.

MERGERS & ACQUISITIONS

"There has to be a direct correlation between a rising discount and activity by arbitragers and asset strippers; there are bound to be people looking around," said Hamish Buchan, who covers investment trusts, as closed-end funds are known in Britain, for NatWest Equities.

"The discount is not as high as I've seen it," he said, "but funds are so much larger now. With £6 billion of total discount, the absolute amount of money is bigger than it has ever been before."

There was plenty of money to go after when Regent Kingpin raided the GT Chile fund in August 1995. The $600 million fund had been trading at a discount as wide as 20 percent before Regent bid to buy its management contract.

The ensuing war of proposals and counterproposals finally ended earlier this year with neither side victorious. GT ended up with a much smaller fund, although it was able to keep Regent from getting anything at all after that company made a bid that would benefit some shareholders, but not all.

"That triggered a clause that said we could buy out the holding of anyone acting to the detriment of shareholders," said Peter Stevens, chairman of the GT Chile Growth Fund, the entity that survived the onslaught.

Three alternatives were put to shareholders: 70 percent opted for cash and 25 percent stayed with GT. The rest voted to go with Regent, but Mr. Stevens said that most of that 5 percent was one large shareholder who voted for Regent by mistake.

Regent representatives did not return phone calls. Its tactics may have been especially bold, and it may not try to do precisely the same thing again, but there remain several ways to profit from pursuing deeply discounted funds.

The simplest and least offensive is conventional arbitrage: Buy a fund at a discount and sell short the stock of companies in the portfolio. A less tidy method is bluffing. Some raiders buy a stake in a fund just over the threshold at which regulators require positions to be publicly announced. The idea is to attract the most attention for the least money.

One firm said to employ this strategy is Sierra Investment Advisers of San Francisco.

"Everyone gets jumpy when they appear on the register," one fund manager said. "There often can be a catalytic effect. Once someone knows someone else is in the market for a fund, others can pile in. That's how stakes are bid up."

A firm can take its profits after the discount shrinks from the interest it has generated or hope the fund's board takes steps to increase shareholder value, such as converting to open-end status. The latter action precludes discounts because open-end funds can create or eliminate shares to meet market demand. In either case, the goal is to get the job done quickly.

"What the vultures are doing is trying to gain short-term pay," said Donald Cassidy, senior research analyst at Lipper Analytical Services. "The way you win is by being a pain in the neck and through suasion, not by putting it to a ballot."

Fund managers do not like it when a targeted fund is one of theirs, of course, but they concede that in many cases they deserve what they get.

"Managers say there is nothing they can do to affect discounts, but to throw up their hands and say they can't improve it is not necessarily fair," said Piers Currie, marketing director for investment trusts at the British fund manager Abtrust.

The problem is that there are too many bad funds chasing too few investors. That makes them more vulnerable to being taken over or converted to an open-end fund, he said.

"There are defensive measures, the best of which is to deliver strong performance," he added.

Poor results mean wider discounts as investors shun the weaklings in favor of stronger alternatives. When an American hedge fund took a 10 percent stake in Edinburgh American, a trust with a discount that had slumped to close to 20 percent after a period of weak returns, the board announced that it would convert it into an index fund, catapulting it to the pinnacle of ordinariness.

The Dessauer Global Equity Fund, a U.S. closed-end fund, is trying to preempt would-be predators through an automatic wind-up provision. Beginning 18 months after the offering, if there is an average discount of 5 percent over any 15 consecutive days, the fund will be liquidated. The knowledge that investors would receive the full value of their assets ought to keep the discount from falling much below that level.

Turnaround Artist Returns to Coleman

By James Sterngold

For Jerry Levin, it is deja vous all over again. Eight years ago, the takeover artist Ronald O. Perlman recruited Mr. Levin to run a newly acquired prize, Coleman Co. Coleman was a venerable camping-equipment manufacturer that had become an icon of the middle class, illuminating campsites and warming trail dinners for several generations, but it had overexpanded and found itself floundering. Mr. Levin sold nearly a third of the company and focused on the core businesses.

Mr. Levin went on to turn around Revlon Inc. for Mr. Perlman, but now he is back refocusing Coleman, which had again overexpanded.

Attacking quickly, Mr. Levin has closed a number of plants, slashed 700 jobs, sold some unneeded businesses and closed a multimillion-dollar new headquarters building in Colorado just months after it had been opened. The stock is up from its 1997 low of $12.25, trading at $17 late Friday.

This time, although investors are generally pleased with the turnaround, there is some skepticism over the ultimate plans of Mr. Perlman, who owns 83 percent of Coleman. Several analysts said there may be little opportunity in the stock because it already reflects expectations of a moderate improvement in profits in coming years. Only a sale of the company, the analysts speculated, would bring investors a price of much more than $20 a share in the near term.

"A lot of things have to come together now to justify this stock price," said Peter Barry, who follows Coleman for Deutsche Morgan Grenfell. "I suspect that the ultimate exit strategy for Perlman is to sell it, and that is what we're thinking about. But I think they want a higher price than it's selling for now."

But Mr. Levin was adamant that Coleman was not for sale and he rejected as ridiculous earlier rumors that the company might have to file for bankruptcy because of the problems and a long-term debt load of about $570 million.

He said Coleman was financially secure. It is refinancing nearly $500 million of high-yielding debt with an issue of new securities.

Mr. Levin emphasized, as did analysts, that the company's strong suit remains a strong brand name and a loyal middle-class following that equates the Coleman name with its signature green camp stoves, lanterns and ice chests.

Mr. Levin outlined a two-pronged battle plan: emphasizing growth overseas, especially in the fast-growing economies of Asia and Eastern Europe, and relying more on innovative products rather than the indestructible old camping stoves.

He said Coleman now received about 25 percent of its revenue outside the United States, and that figure will rise steadily in coming years. The overseas push is already being helped by Coleman's acquisition last year of Camping Gaz, a French company that is strong in Europe.

In addition, Coleman is being helped by another acquisition, the Eastpak backpack company. Although Mr. Levin said that, in general, the company was going to cut back on its number of products, the backpack line was expanding well.

Mr. Levin said one of the first things he did when he rejoined Coleman was to seek innovative products that could help lead the company into the future. He said he found three products that would be the foundation for much of the future growth.

These are a newly developed 22-pound (10-kilogram), gas-powered electrical generator that is about a third the weight of competitive products; a lightweight camping stove that uses a new technology for feeding the liquid fuel to the burner, and a catalytic converter developed by Camping Gaz that burns fuel without a flame. Coleman is trying to turn the burner, which is currently expensive to produce, into a mass-produced consumer product.

New York Times Service

Severing Corporate Ties That Bind

Continued from Page 15

turn of 18.71 percent over the last five years, compared with 13.93 percent for the Standard & Poor's MidCap 400 index.

A study by Mr. Woolridge and two colleagues found that spin-offs had rapid growth in sales, operating income, capital expenditures and total assets.

In the study, the 161 spin-off companies experienced average adjusted returns 4.5 percent in excess of the market in the first year of independent existence, 25.0 percent in the first two years and 33.6 percent in the first three years.

Spin-off companies were also frequent targets for takeover, since they were suddenly available, pure-play companies in specialized industries. Of the 161, 21 were taken over within three years of the divestitures. These companies yielded 61.3 percent more than the market in their first two years as independent firms and 99.3 percent in the first three years.

Mr. Woolridge cited Quaker Oats Co.'s spin-off of the toy-maker Fisher-Price Inc. as an example of a successful spin-off. Quaker had unsuccessfully moved into the toy business, a high-risk, capital-intensive, entrepreneurial industry that is everything the food business is not. As a wholly owned subsidiary of Quaker, Fisher-Price's sales, income and capital expenditures all deteriorated to the point that in its last two years as part of the conglomerate it posted losses of $37.3 million and $33.6 million.

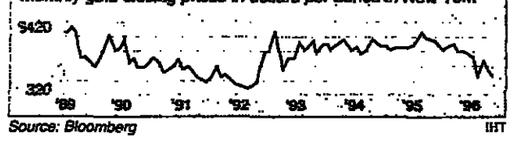
Once Fisher Price was spun off, however, its income rose to $17.3 million the first year and $41.3 million the second year. Shortly after, it was bought out by Mattel Inc., another toy company, for $66 per share, compared with an issue price of $23, giving investors a return that was almost triple in just two years.

Mr. Escherich said that when spin-offs did not do well, it was usually because their industry was troubled. An example is General Mills' spin-off of Darden Restaurants Inc. Darden, which owns the Red Lobster and Olive Garden chains, has not been able to cope with the recent stiff competition in the restaurant business, prompting questions about how successful Pepsi will be when it spins off its restaurant business.

BRIEFCASE

Nowhere in the '90s

Monthly gold-closing prices in dollars per ounce in New York



Source: Bloomberg IHT

Gold's Silver Lining In Bre-X Debacle?

It may be mixing metaphors (and metals), but if every cloud has a silver lining, then the debacle at Bre-X Minerals Ltd. could be a good thing for the long-suffering gold market.

Some analysts and fund managers have turned bullish on gold, citing overwhelming bearishness toward the metal, the price of which has been in decline since the early 1980s. Sentiment is so negative, the reasoning goes, that anyone who had intended to sell has already done so and therefore a bottom must be near.

The revelation that the Busang mine in Indonesia is apparently not going to be a major source of gold could be a catalyst for gains. The mine, which Bre-X said in February contained at least 70.95 million ounces of gold, is now thought to be worthless. That takes $24 billion of potential supply (at the current price of about $347 a share) out of people's calculations.

Even before the Bre-X news, some bullishness was emerging. Graham Birch, manager of the Mercury Gold and General Fund for Mercury Asset Management, cited a recent conference in South Africa. There, he said, only a few of the thousand or so delegates asked to forecast the price of gold over the coming year guessed as high as $380 an ounce. This was just after gold had spiked up by $25 an ounce from its low below $340.

By contrast, at the same meeting the year before, Mr. Birch said in a note to shareholders, not a single one predicted a price so low.

"This provides a powerful example of why it is so dangerous to rely on consensus opinion as a determinant of the future," he said. "The gold market usually does whatever it takes to prove most people wrong most of the time. Seldom can I remember a time in the gold market when contrarianism has been better rewarded. The vitriolic press comment about gold in late January-early February may well turn out to have been the bottom."

If gold is cheap, the companies that produce it have helped to make it so. They are so worried that prices will fall that they have aggressively sold futures contracts. When so much gold is sold forward, the current price naturally falls and the manufacturers' fears are realized.

"The major negative for gold is an oversupply brought about by central bank selling from Europe and elsewhere," said Stephen Leeb, editor of the market newsletter Personal Finance. The sales, he said, are intended to prop up feeble currencies and public finances in order to qualify for European monetary union.

But the bad news from Europe, he added, is overcome by good news elsewhere.

"Consumers in Asia and emerging-market countries have an historic affection for the metal, especially during times of economic boom," he said. "Their demand will easily outweigh long-run supply, which is determined by mining discoveries and efficiencies."

Russia's Central Bank apparently thinks so. Sergei Aleksashenko, the deputy chairman, said the bank, which had about 400 metric tons of gold at the end of January, was aiming to increase its bullion reserves throughout 1997 and 1998 by 90 metric tons a year, Reuters quoted the Interfax news agency as saying.

Mr. Birch has observed the pickup in demand.

"While experience tells us that this strong physical demand will be price sensitive and will not in itself drive the gold price higher," he said, "it does give anyone thinking of breaking with consensus and speculating on the long side of the gold market some confidence that a solid base exists and that downside is limited. Maybe we have seen the bottom." *(IHT)*

New Drips From Global Firms

The popular American concept of dividend reinvestment plans is catching on with non-U.S. companies. Three major American banks are offering DRIPs and direct-stock purchase plans on American depositary receipts of overseas companies.

More than 80 companies from 20 countries currently offer plans, with banks adding more each month. At J.P. Morgan & Co., the first to offer the program a year ago, the roster of companies has grown to 59, including blue chips such as British Telecommunications PLC and Royal Dutch Petroleum Co., and emerging-market companies like Compania Cervecerias Unidas S.A., the Chilean brewery and Guangshen Railway Co. of China. In March, the Bank of New York, the biggest player in ADRs, entered the field with Global BuyDIRECT, offering 22 companies ranging from Repsol S.A., Spain's oil and gas group, to Vimpel Communications, the Russian telecommunications company. Citibank has just weighed in with its program, including Hanson PLC, the British conglomerate, and Rhone Poulenc SA, the chemical giant from France.

Although there are fees associated with these programs, they are minimal, even compared with a discount brokerage. As an example, transaction fees at J.P. Morgan are $5 per trade, plus 12 cents a share, while Bank of New York levies charges of $5 plus 10 cents a share. Citibank's fees are competitive, according to James Donovan, the bank's ADR chief. Investors at all three banks can reinvest all or part of their dividends, or take them in cash. J.P. Morgan and Bank of New York accept first-time and existing investors into their programs, while it varies at Citi, depending on the company.

Another attraction of the plans, said Charles Carlson, editor of the DRIP Investor newsletter, is their low minimum initial investment—for example, $200 at Bank of New York, and $250 at J.P. Morgan, and a minimum of just $50 per investment after the initial purchase.

Investors appear to agree. The Bank of New York reported that it was receiving 350 inquiries a week. There are two important points to remember, however. If you are interested in a specific company, you will not be able to shop among the banks for the lowest-cost deal, since non-U.S. companies can use only one bank for their ADR programs. Secondly, although depositary receipts are dollar-denominated, they do not protect investors from currency risk.

For more information:

CALL J.P. Morgan at 1 617 575 4328, or Bank of New York at 1 212 815 5800. Citibank is reachable at 1 800 422 2066 for investors in the United States.

A FULL LIST of companies offered by the three banks is available on the Web site www.netstockdirect.com.

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WORLD ROUNDUP

Kafelnikov Wins

TENNIS Yevgeni Kafelnikov, picking up his game at the right time of the season, breezed into the semifinals of the German Open by routing Albert Costa, 6-3, 6-0, in Hamburg on Friday.

"Things are finally going my way," Kafelnikov said after his 55-minute victory over the 11th-seeded Spaniard put him into his first semifinal of the year.

Kafelnikov, seeded No. 2 and the highest-ranked player left in the tournament following the ouster of Thomas Muster, broke a finger on his right hand in January and was forced into a three-month layoff. In three weeks, Kafelnikov will defend his French Open title.

In other matches, Tommy Haas, a 19-year-old wild-card entry from Germany, rallied to upset Alberto Berasategui, 2-6, 6-2, 6-3. Felix Mantilla beat Hicham Arazi, 4-6, 7-6 (7-5), 6-4, and will face Haas in the semifinals.

Kafelnikov's opponent will be his friend Andrei Medvedev, who won in Hamburg in 1994 and 1995. Medvedev ousted 12th-seeded Sergi Bruguera, 6-4, 7-6 (7-3)*(AP)*

Martinez Beats Kruger

TENNIS Conchita Martinez who has failed to make a final this year and has slipped to No. 6 in the WTA rankings, dismissed Joannette Kruger of South Africa, 6-0, 6-4, to win her 23d consecutive match on the Foro Italico's red clay and reach the semifinals at the Italian Open in Rome on Friday.

Also reaching the semifinals was Mary Pierce, who followed up her ouster of top-seeded Monica Seles with a 6-3, 6-4 defeat of Ruxandra Dragomir of Romania, the 14th seed.

Pierce will next face No. 11 Barbara Paulus of Austria, who won her quarterfinal match with No. 7 Irina Spirlea, 6-4, 6-2.

None of the semifinalists has won a tournament this season. No. 1 ranked Martina Hingis — who sports a 31-0 match record and six tournament triumphs this season — is sidelined after a horse-riding accident. *(AP)*

Canada Tops Russia, 2-1

HOCKEY A fluke goal in the final period gave Canada a 2-1 victory over Russia Friday and a berth in the finals of the World Ice Hockey Championships in Helsinki, Finland.

Later Friday, Finland defeated the United States, 2-0, for a spot in the bronze-medal game on Saturday.

Canada's winning goal came at 6:26 when Russia's Sergei Fokin deflected the puck between his own goalie's pads straight from the faceoff. The powerplay goal was awarded to Travis Green, who plays for the New York Islanders.

Canada, world champions in 1994, will play Sweden in the best-of-three final, which starts Sunday. "Every once in a while, you've got to lose a faceoff," joked Green, who lost the key faceoff before the Russians deflected the puck into their own net. "We were due for a break, and it couldn't get any better than that."

Canada played Friday without two key players — Owen Nolan and Shean Donovan of the San Jose Sharks — both serving one-match suspensions for their part in a game-ending brawl with the Czechs on Wednesday that produced a total of 244 minutes in penalties. Canada, seeking its second title in 36 years, took the lead at 14:18 of the opening period. *(AP)*

Bulls Wait Too Long For Miracle, and Lose

Hawks Have Big Shooting Night To Tie Series at One Game Each

By Ira Berkow
New York Times Service

CHICAGO — Bulls fans have grown accustomed to their team falling behind early in games, and then, in the third or fourth periods, watching as Michael Jordan seems to emerge from a telephone booth and Scottie Pippen from a Pippenmobile as one or both save the day with a variety of super shots and plays.

On Thursday night in the United Center, in the second game of the second round of the playoffs against the Atlanta

NBA PLAYOFFS

Hawks, Jordan's cape apparently got caught in the booth door and Pippen's chariot ran out of gas.

The Hawks evened the series at one victory each with a 103-95 triumph, giving Atlanta a heady belief that the defending National Basketball Association champions can be beaten in this series. The Hawks seemed prepared to underscore that notion in their next game, Saturday afternoon in Atlanta.

"This was a great win for us tonight," said Lenny Wilkens, the Hawks' coach. "We were disappointed in the first game, and thought we could and should have won it." The Bulls held on in the first game for a 100-97 victory.

The Bulls spent four hours in a practice-and-film session the day before Game 2 in an attempt, coach Phil Jackson said, to improve their play, which was at "one-half efficiency." But it did not take hold in the first half, or in the second.

"They shot well," Jackson said, referring to Atlanta's 52 percent field goal shooting and 60 percent mark from 3-point range, compared with the Bulls' 41 percent in field goals and 37 percent in 3-pointers. "We've been perched on the edge waiting for a game like this." He meant one in which the Bulls do not dominate the opposition.

"We're not executing, and not playing the way that made us a great team," Pippen said. "We're not playing hard enough to win."

The Bulls were beaten inside by Dikembe Mutombo and Christian Laettner, and outside by Steve Smith and Mookie Blaylock. Smith scored 27 points, Blaylock 26, and Mutombo had 15 rebounds, which was 1 fewer than Jordan.

Jordan also had 27 points, but missed several shots near game's end when the Bulls still had an opportunity to catch the Hawks. Pippen finished with 24 points.

While the Bulls trailed at the half by just 53-51, they continued to seem less than the well-oiled, smooth-operating machine that many had expected them to be. And which, in the last four years in which Jordan had played a full season, they were.

The Bulls have played catch-up in each of their five playoff games this season, and had won every one before Thursday night. But they had to rely on one-on-one heroics by Jordan and Pippen, as opposed to sweet plays rolling off their triangle offense.

Sue Ogrocki/Reuters

The Hawks' Dikembe Mutombo driving inside past the Bulls' Dennis Rodman. Mutombo snared 15 rebounds for the night, while Rodman fouled out in the fourth period with only 5 rebounds — and a total of 2 points.

Meanwhile, there was much attention on the antics — or the anticipated antics — of Dennis Rodman, the man with the chrome-yellow coif. For his wrestling tactics, the Bulls' ace rebounder had been hit with six technical fouls in the four previous games, and had been tossed out of two of them, including Game 1 of this series, after he slapped a wagging finger of the Hawks' Mutombo. On Thursday night, it was not until the third period that Rodman got a technical called on him, and it came for what seemed a light push of Christian Laettner, the Hawks' forward.

When Rodman fouled out in the fourth period, he had just 2 points and 5 rebounds.

In other playoff action, the Los Angeles Times reported:

Lakers 104, Jazz 84 The Utah Jazz shot 13.6 percent from the field in the first half and never recovered. But Los Angeles did, going from a Game 2 loss in Salt Lake City to a 104-84 victory Thursday before 17,505 at the Forum that closed their deficit in the Western Conference semifinals to 2-1. Kobe Bryant led the Lakers with 19 points.

Karl Malone had a triple-double of sorts for the Jazz: 15 points, 10 rebounds and 18 misses. In 20 attempts.

And the Jazz couldn't even get off that easy. Starting center Greg Ostertag suffered a sprained left knee in the third quarter and did not return. His long-term prognosis was not immediately known.

A Celtic Legend Departs and a Savior Arrives to Hold Court

Bird Signs On to Coach Pacers

New York Times Service

On a day of sweeping change in the National Basketball Association, Larry Bird elected to return to his native Indiana to coach the Pacers instead of remaining in Boston, where Rick Pitino initiated a new era by taking over as coach and president of the Celtics.

The Pacers provided no details Thursday of Bird's hiring, saying he would appear at a news conference Monday. But according to league executives familiar with the negotiations, Bird was expected to receive an average annual salary of $4.5 million a year, part ownership of the team and a guarantee of a front-office job in the future.

"I'm very excited about this opportunity to go back home and coach the Indiana Pacers," Bird said in a prepared statement.

Bird replaces Larry Brown, who left the Pacers and agreed to a five-year, $25 million deal to coach the Philadelphia 76ers. Pitino accepted a 10-year, $70 million contract with the Celtics that makes him the highest-paid coach in sports. And the landscape was altered some more Thursday as Portland dismissed P.J. Carlesimo and Sacramento gave Eddie Jordan a two-year contract.

Introduced in Boston on Thursday as the new coach, and the successor to the legendary Red Auerbach as president, Pitino said he had hoped Bird would stay with the Celtics. Bird had served as an adviser since retiring in 1992, and Pitino said Bird could have "any title he wants," as long as he helped infuse the young players with a winning attitude.

But Pitino's arrival with near-total control of the organization may have influenced Bird's decision to end an association with the Celtics that began in 1979 and produced three NBA titles in the 1980s. A college star at Indiana State, Bird has never coached at any level, and he had said in recent interviews that if he was going to try coaching, this might as well be the time.

Despite Bird's lack of coaching experience, the Pacers' president, Donnie Walsh, said he had no doubts about his ability. "He looks at the game from more of a coach's mind than a player's mind," Walsh said. "He's a very bright guy and a very honest guy, as well as a very tough guy. All those qualities add up. He'd be very successful anywhere he went."

The Associated Press

Larry Bird will be paid $4.5 million a year to coach the Pacers.

In 13 years as a Celtic player, Bird took his place among the legends who graced the old Boston Garden. He was the league's most valuable player for three consecutive seasons, beginning in 1984. But late in his career he began to suffer from extreme back pain, and he underwent surgery in the 1991 off season. He announced his decision to retire as a player on Aug. 18, 1992.

Pitino's arrival from the University of Kentucky, and Auerbach's decision to relinquish the title of president, begins a transition from an era in which the team won 16 league titles to a new one in which Pitino must rescue the franchise from hard times.

Under terms of the agreement, Pitino will coach for the first six seasons and remain as president for the final four seasons. "This is a tremendous honor," the 44-year-old Pitino said. "It's one of the greatest positions in all of sports."

While the Celtics have won more championships than any other NBA team, they have been dismal in recent years. They had a franchise-worst 15-67 record this season under M.L. Carr, who resigned this week as coach and director of basketball operations. Pitino said he was confident that he could resurrect the franchise and add to its long list of championships.

"You learn from the past, you don't live in it," Pitino said, sitting beneath the row of championship banners at the Celtics' arena.

Auerbach, who coached the Celtics to nine of the those championships and helped build the teams that won the other seven, will keep an active role with the team, said its chairman, Paul Gaston. Known for his blunt opinions, Auerbach became coach of the team in 1950, general manager in 1966 and later took over as president with a diminished role with the team.

"He finally took that promotion," Gaston said. "He'll still be around and he'll still be a pain," he added, laughing.

Auerbach has been associated with the league since its inception in 1946. As coach, he would hold an unlit cigar until he felt the Celtics had an insurmountable lead. Only then would he light it.

The Celtics will be a completely different organization next season, with almost every household name of the 1970s and 1980s either gone or demoted. Over all, 10 people who were involved in the team's basketball operations have been dismissed from their previous jobs, including the entire coaching staff, the travel coordinator and the longtime general manager, Jan Volk. Carr is remaining with the team in a nonbasketball position.

John Malaker/The Associated Press

Rick Pitino was all smiles as he greeted local media in Boston.

In Portland, the Trail Blazers' president, Bob Whitsitt, called Carlesimo "a class act" but said he wanted to find a coach who would match his young group of players for the next 5 to 10 years. "I think P.J. did a good job this year," Whitsitt said. "This coaching change is not about wins and losses, as many today are." Carlesimo will receive slightly more than $3 million on the remaining two years of his five-year contract.

Mike Dunleavy, who resigned as general manager in Milwaukee, is considered a leading candidate to replace Carlesimo.

The Kings rewarded Jordan, a former Rutgers star, a two-year contract after he served the final 15 games of the season as interim coach, replacing the dismissed Garry St. Jean.

Despite all the activity Thursday, the head coaching situation in the NBA is far from settled. Vacancies still exist at Golden State, Vancouver, Denver and possibly Orlando, where Richie Adubato's status is still unresolved. And several teams have asked to talk to Chicago's Phil Jackson, whose contract is up after this season.

■ New Kings' Coach Moves Fast

Jordan's first act after signing his two-year deal to coach the Sacramento Kings was to anoint Bobby Hurley, who played well late this season, his starting point guard.

His next act will be tougher: trying to convince power forward Brian Grant, who is eligible for free agency, to stay.

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Tigers Fizzle Out Against Kansas City

The Associated Press

DETROIT — With 12 runs and 11 hits a day earlier against Kansas City, the Detroit Tigers were hoping they were out of a collective hitting and scoring slump.

It was just a one-day reprieve, however, as Tim Belcher and Hipolito Pichardo combined Thursday on a five-hit shutout and Jay Bell homered for the Royals in a 4-0 victory over the Tigers.

With Wednesday the lone exception, Detroit has scored two or fewer runs in four of its last five games.

Belcher (4-3) gave up four hits with five strikeouts and left after throwing 117 pitches in seven innings. Detroit stranded eight runners against him, including three at third base.

BASEBALL ROUNDUP

Yankees 5, Rangers 4 Mariano Rivera struck out Juan Gonzalez with the bases loaded to end the game, preserving Andy Pettitte's sixth victory and picking up his 11th save.

The host Yankees won their third straight game and sent Texas to its season-high third loss in a row. Pettitte (6-1) joined Jimmy Key as the top winner in the majors.

Blue Jays 4, Indians 3 Juan Guzman held hot-hitting Cleveland to three hits in seven innings and visiting Toronto survived a three-run homer by David Justice in the ninth.

Guzman (3-2) retired 14 batters in a row after Brian Giles doubled down the left-field line in the second inning. He tired in the seventh but got out of a bases loaded, one-out jam by getting Giles to ground into a double play.

Twins 10, Red Sox 7 Paul Molitor's tie-breaking two-run bloop single capped a five-run sixth inning to help visiting Minnesota win for just the third time in 15 games.

Orioles 13, Mariners 3 Randy Johnson's 16-game winning streak came to an end as the host Orioles got two homers and six RBIs from Chris Hoiles.

Johnson (4-1) struck out 10 but gave up five runs, six hits and two walks in six innings. He was trying to tie the AL record of 17 straight victories set in the 1930s by Johnny Allen of Cleveland and tied by Dave McNally of the Orioles in 1968-69.

White Sox 10, Athletics 6 Frank Thomas and Lyle Mouton hit first-inning home runs, and Norberto Martin added a three-run homer in the third to power host Chicago.

James Baldwin (1-4) survived a scary comebacker off his shoulder in the fifth inning to win his first game in six starts. He allowed two hits over five innings, struck out six and walked two before leaving as a precautionary measure with a bruised shoulder.

In the National League:

Astros 4, Mets 2 Derek Bell drove in two runs with a homer and a double, and Mike Hampton pitched a strong game as Houston beat visiting New York.

Hampton (2-3) matched his longest outing of the season, scattering seven hits over seven innings. He struck out five and walked only one.

Bell, who has been in a season-long slump, hit his first home run and his sixth double. His two RBIs gave Bell 10 for the season; he had 113 last year.

Cardinals 6, Phillies 2 Gary Gaetti had a three-run double, and Andy Benes allowed five hits in eight innings for host St. Louis.

Ray Lankford continued a hot start with a hit and two RBIs for the Cardinals, who have won nine of their last 12.

Pirates 10, Rockies 8 Jason Kendall's three-run double keyed an eight-run fourth inning as Pittsburgh continued to pound host Colorado.

The Pirates, who collected 14 hits while winning their third straight game, reached Colorado pitchers for 24 runs on 31 hits in their two-game sweep at Coors Field. In its previous eight games, Pittsburgh had only 17 runs.

Cubs 6, Padres 2 In San Diego, Sammy Sosa went 4-for-5 and Brian McRae was 3-for-5 with a homer as Chicago had a season-high 16 hits.

Marlins 5, Braves 1 In Miami, Tom Glavine was rocked for five runs before leaving the game when hit by a pitch, and Tony Saunders homered en route to his first major league victory.

Glavine (4-2) was hit on his pitching hand while trying to bunt in the fifth, but X-rays were negative, and he is not expected to miss a start.

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Hold Court

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New Kings' Coach Moves Fast

Jordan's first act after signing his two-year deal to coach the Sacramento Kings was to appoint Bobby Hurley, who played well late this season, his starting point guard.

His next act will be tougher: trying to convince power forward Brian Grant, who is eligible for free agency, to stay.

Kansas City

Hampton (2-3) matched his longest outing of the season, scattering seven hits over seven innings. He struck out five and walked only one.

Bell, who has been in a season-long slump, hit his first home run and his sixth double. His two RBIs gave Bell 10 for the season; he had 113 last year.

Cardinals 5, Phillies 2 Gary Gaetti had a three-run double, and Andy Benes allowed five hits in eight innings for host St. Louis.

Ray Lankford continued a hot start with a hit and two RBIs for the Cardinals, who have won nine of their last 12.

Pirates 10, Rockies 8 Jason Kendall's three-run double keyed an eight-run fourth inning as Pittsburgh continued to pound host Colorado.

The Pirates, who collected 14 hits while winning their third straight game, reached Colorado pitchers for 24 runs on 31 hits in their two-game sweep at Coors Field. In its previous eight games, Pittsburgh had only 17 runs.

Padres 5, Padres 2 In San Diego, Sammy Sosa went 4-for-5 and Brian McRae was 3-for-5 with a homer as Chicago had a season-high 16 hits.

Marlins 5, Braves 1 In Miami, Tom Glavine was rocked for five runs before leaving the game when hit by a pitch. Jim Eisenreich and Tony Saunders homered en route to his first major league victory.

Glavine (4-2) was hit on his pitching hand while trying to bunt in the fifth, but X-rays were negative, and he is not expected to miss a start.

SPORTS

Tricky Track Awaits Monaco Racers

By Brad Spurgeon
International Herald Tribune

OF THE RACE he never won, three-time world champion Nelson Piquet said: "Tell you the truth, I hate Monaco. It's like riding a bicycle around your living room."

What the retired Formula One racer from Brazil was referring to was the small space that this last European city track offers. The race is often criticized as being nothing more than a procession where the outcome is decided by the shape of the starting grid. The popular perception is that it is impossible to pass at Monaco.

"Olivier Panis exploded that myth last year, didn't he?" said Chris Williams, the spokesman for Panis's team, Prost-Mugen-Honda. "He started 14th on the grid and passed four cars on the track and won the race. It was a victory due to both passing and pit-stop strategy."

Panis, for his part, said he "particularly appreciated," the Monaco track. "The man is more important than the machine," he said. "It's a track that you have to really love and have a feel for if you want to get good lap times."

Both Ferrari and the Williams team are trying to break a jinx this year. Williams has not won since 1983, Ferrari since 1981, with Gilles Villeneuve behind the wheel. Williams is hoping it has found a winner in Villeneuve's son, Jacques. But Patrick Tambay, a former racer and current TV racing commentator, said: "If you compare Monaco to skiing, it is a slalom race — and Jacques is a downhill skier not a slalom racer."

French drivers like Panis and Jean Alesi may feel a certain historical right to the race that has seen more French victories than any other nationality since the current Formula One championship started in 1950.

"Monaco is a little like a home race," said Jean-Pierre Beltoise, the Frenchman who won in 1972 in the rain. "It's a French enclave, and you speak French there." He added that winning in Monaco was "better than everywhere else."

"The track is unique," he said, "because of its history, because it is the only track still in a city, and in an old European city at that."

The art of driving there is also unique. "I won because it was raining that day," said Beltoise, 60, "and on other tracks I was handicapped by the V-12 that was not powerful enough. In those very slippery conditions, the engine was perfect."

He said the main peculiarity of Monaco was that "the limits are set at brushing up as close to the safety fence as possible without touching it. The limits at the other tracks are set at not putting the wheels 20 centimeters (8 inches) outside the edge of the track or on the grass or the gravel."

NCAA Punishes UMass Over Gifts to Camby

The Associated Press

AMHERST, Massachusetts — The National Collegiate Athletic Association has erased the 1996 Final Four finish of the University of Massachusetts and demanded the return of $151,000 in tournament money because of gifts accepted from an agent by the team's star player, Marcus Camby.

The decision Thursday stripped from the record book the conclusion to the best basketball season in UMass history.

"I'm really sorry," Camby said after the decision was announced. "I fully intend to pay back all the money — donate the money back to the school. People make mistakes, and I made mistakes."

Camby, a 6-foot-11 inch (2 meter) center now with the Toronto Raptors, led a team coached by John Calipari to a 35-2 season that ended with a loss to Kentucky in the national semifinals.

Several weeks after the 1996 Final Four, Camby set off a scandal when he told The Hartford Courant newspaper a tale of being wooed by sports agents with gifts. He was quoted as saying he took jewelry worth $5,300 from an agent, Wesley Spears.

Camby reportedly said Spears first provided him with money, women and other favors and then threatened to disclose all if Camby refused his services as an agent. Spears, a lawyer in Hartford, Connecticut, was later charged with extortion and promoting prostitution in his relationship with Camby.

This week, The Boston Globe reported that Camby secretly repaid $28,000 to another agent, John Lounsbury, who claimed his life was in danger from loan sharks.

Camby eventually shunned both agents for a third one.

Rangers Rolling

Shutting Out the Devils Again, New York Nears Final Four

By Joe Lapointe
New York Times Service

NEW YORK — The New York Rangers, an inconsistent team in the regular season, are now one victory away from the Final Four of the Stanley Cup playoffs.

By beating the New Jersey Devils, 3-0, on Thursday night at Madison Square Garden, they took a 3-1 lead in the four-of-seven Eastern Conference semifinal round, which will resume Sunday with Game 5 in the Meadowlands, the Devils' home.

NHL Playoffs

The Rangers have three chances for one more victory over the Devils and a series upset over a first-place team that finished 18 points ahead of them in the regular-season standings.

Adam Graves scored on the power play for the Rangers and Wayne Gretzky scored just as a power play ended. Gretzky appeared to suffer a leg injury late in the second period; although his skating seemed to be impaired, he finished the game without missing a single shift.

Esa Tikkanen scored the third goal for the Rangers into an empty net in the final minute after the Devils pulled goalie Martin Brodeur.

But the victory may have come with what the Rangers' coach, Colin Campbell, called "a huge price to pay." He charged that New Jersey's John MacLean broke the arm of New York's Niklas Sundstrom with a slash of his stick late in the game.

Sundstrom plays right wing on Gretzky's line. He is a valuable player on both the attack and on defense, including penalty-killing duties.

Mike Richter stopped 35 shots in the Rangers net for his second shutout of the series. The Devils' only victory also was by shutout.

The Devils showed an uncharacteristic lack of composure that worsened throughout the game. A multiplayer brawl, instigated by the Devils, broke out with 21 seconds remaining.

The game began with several familiar patterns.

The Rangers scored the first goal for the third consecutive game. The Devils seemed to score a tying goal, but — for the third game in succession — it was nullified because a New Jersey player had his foot in the Ranger goal crease. And the Devils held a large early lead in shots on goal, this time by 13-5 after one period.

In other playoff action, The Associated Press reported:

Bill Kostroun/The Associated Press

Wayne Gretzky celebrating a goal by his left wing, Adam Graves, in a shutout victory over the Devils.

Red Wings 3, Mighty Ducks 2 For a sweep, the Detroit-Anaheim series was a marathon. Detroit finally finished it with a 3-2 victory in — appropriately — double overtime.

Although the second-round series will go into the books as four games, the two teams played almost the equivalent of six, a total of 18 periods.

Brendan Shanahan ended it when he poked in a shot, Detroit's 73d of the game, with 2:57 left in the second extra period of a game that stretched beyond midnight.

The Red Wings also won two overtime games to start the series. They took the opener, 2-1, in one extra period, then won Game 2 by a 3-2 margin in three overtimes. Their only regulation victory was by 5-3 in Game 3.

Detroit, in the Western Conference finals for the third time in as many years, now awaits the winner of the series between Colorado and Edmonton.

The Avalanche, the Stanley Cup champions, leads the Oilers, 2-1.

The Red Wings, who won their last of seven NHL titles in 1955, made it to the Stanley Cup Finals two years ago but were swept by New Jersey.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	22	9	.710	—
New York	19	15	.559	4½
Toronto	16	15	.516	6
Boston	15	17	.469	7½
Detroit	13	20	.394	10
CENTRAL DIVISION				
Milwaukee	15	14	.517	—
Cleveland	16	15	.516	—
Kansas City	16	15	.516	—
Minnesota	14	20	.412	3½
Chicago	11	19	.367	4½
WEST DIVISION				
Seattle	19	13	.594	—
Texas	16	14	.533	2
Anaheim	14	16	.467	4
Oakland	15	19	.441	5

EAST DIVISION

	W	L	Pct.	GB
Atlanta	23	10	.697	—
Montreal	17	14	.548	5
Florida	18	15	.545	5
New York	16	18	.471	7½
Philadelphia	10	22	.313	12½
CENTRAL DIVISION				
Houston	19	15	.559	—
Pittsburgh	18	15	.545	½
St. Louis	16	17	.485	2½
Cincinnati	10	22	.313	8
Chicago	9	23	.281	9
WEST DIVISION				
Colorado	21	11	.656	—
San Francisco	19	12	.613	1½
Los Angeles	18	13	.581	2½
San Diego	12	19	.387	8½

THURSDAY'S LINE SCORES

AMERICAN LEAGUE

Kansas City 002 000 020—4 7 1
Detroit 000 000 000—0 5 0
Belcher, Pichardo (8) and Mt.Sweeney; Moehler, Micell (8) and B.Johnson. W—Belcher, 4-3. L—Moehler, 2-2. HR—Kansas City, J. Bell (8).

Toronto 111 000 100—4 10 1
Cleveland 000 000 003—3 8 2
Guzman, Crabtree (8), Plesac (9), Quantrill (9) and Santiago; Ogea, Kline (8), Mesa (8), A. Lopez (9) and S. Alamar. W—Guzman, 3-2. L—Ogea, 2-3. Sv—Quantrill (1). HR—Cleveland, Justice (11).

Texas 000 100 021—4 11 1
New York 000 201 11x—5 10 0
D.Oliver, Patterson (6), K. Hernandez (8) and I. Rodriguez; Pettitte, Rivera (8) and Girardi. W—Pettitte, 6-1. L—D. Oliver, 1-3. Sv—M. Rivera (11). HR—New York, Hayes (1).

Minnesota 100 005 040—10 11 0
Boston 040 000 030—7 14 1
Robertson, Naulty (6), Guardado (8), Aguilera (9) and G. Myers; Wakefield, Garces (6), Corsi (6), Trlicek (8) and Haselman. W—Robertson, 3-7. L—Garces, 0-1. Sv—Aguilera (6). HRs—Boston, Naehring (7), Pemberton (2).

Oakland 000 020 301—6 5 1
Chicago 313 012 00x—10 16 2
Mohler, Wengert (5), Acre (8) and Ga.Williams; Baldwin, D. Darwin (6), Bertolfi (7), Simas (7), R. Hernandez (9) and Kreuter. W—Baldwin, 1-4. L—Mohler, 0-4. HRs—Oakland, Magadan (2). Chicago, N.Martin (2), L. Mouton (2), F. Thomas (3).

Seattle 000 100 020—3 5 1
Baltimore 200 003 35x—13 13 3
Ra.Johnson, Manzanillo (7), B. Wells (8) and De.Wilson; Mussina, Te.Mathews and Webster. W—Mussina, 4-1. L—Ra.Johnson, 4-1. HRs—Seattle, R. Davis (5). Baltimore, B.Anderson (3), Hoiles 2 (6).

NATIONAL LEAGUE

Philadelphia 002 000 000—2 6 0
St. Louis 000 114 00x—6 6 0
Beech, Mimbs (5), R. Harris (6), Spradlin (7), Battaglia (8) and Parent; An.Benes, T. J.Mathews (9) and Difelice. W—An.Benes, 2-1. L—Mimbs, 0-3. HR—St. Louis, Difelice (1).

New York 100 010 000—2 8 2
Houston 100 210 00x—4 11 1
R.Reed, Lidle (7) and A. Castilla; Hampton, R. Springer (8), B.Wagner (9) and Ausmus. W—Hampton, 2-3. L—R. Reed, 3-2. Sv—B. Wagner (7). HR—Houston, De.Bell (1).

Pittsburgh 100 810 000—10 14 0
Colorado 202 001 200—8 15 2
Loaiza, Peters (6), Wainhouse (6), Rincon (7), Loiselle (9) and Kendall; Wright, De.Jean (4), M. Munoz (7), B. Ruffin (8) and Je.Reed. W—Loaiza, 4-0. L—Wright, 4-2. Sv—Loiselle (2). HRs—Pittsburgh, A.Martin (3), Elster (6). Colorado, L. Walker (12).

Chicago 102 110 010—6 16 0
San Diego 001 000 100—2 8 1
Mulholland, T. Adams (7), Rojas (9) and Servais; Valenzuela, Scott (6), Cunnane (8), Long (9) and C. Hernandez. W—Mulholland, 3-3. L—Valenzuela, 1-4. HRs—Chicago, J. Hernandez (1); McRae (2). San Diego, Clanfrocco (1).

Atlanta 000 000 100—1 6 0
Florida 005 000 00x—5 7 1
Glavine, Borowski (5), Clontz (7) and J. Lopez; Saunders, Hutton (7), Nen (9) and C. Johnson. W—Saunders, 1-1. L—Glavine, 4-2. HR—Florida, Saunders (1).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	18	11	—	.621	—
Hiroshima	15	12	—	.556	2.0
Hanshin	14	14	—	.500	3.5
Chunichi	13	16	—	.448	5.0
Yokohama	12	15	—	.444	5.0
Yomiuri	12	16	—	.429	5.5

FRIDAY'S RESULTS

Hiroshima 11, Chunichi 8

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	16	12	—	.571	—
Orix	14	12	—	.538	1.0
Daiei	14	14	—	.500	2.0
Nippon Ham	14	14	—	.500	2.0
Lotte	13	13	1	.500	2.0
Kintetsu	10	16	1	.385	5.0

FRIDAY'S RESULTS

Lotte 6, Daiei 3
Orix 4, Kintetsu 1

BASKETBALL

NBA Playoffs

SECOND ROUND
(BEST-OF-SEVEN)
THURSDAY'S RESULTS

Atlanta	27	26	23	27—103
Chicago	28	23	19	25— 95

A: Smith 9-19 8-11 27, Blaylock 9-13 0-0 26; C: Jordan 12-29 3-3 27, Pippen 9-18 2-2 24. Rebounds—Atlanta 57 (Mutombo 15), Chicago 48 (Jordan 16). Assists—Atlanta 13 (Blaylock 9), Chicago 27 (Pippen 9).
(series tied 1-1)

Utah	21	15	23	25— 84
L.A. Lakers	29	20	23	32—104

U: Hornacek 9-14 7-7 26, Malone 2-20 11-12 15; L.A.: Bryant 3-7 13-14 19, Van Exel 7-14 3-4 17. Rebounds—Utah 48 (Malone 10), Los Angeles 62 (O'Neal 10). Assists—Utah 18 (Stockton 8), Los Angeles 20 (Van Exel 5).
(Utah leads series 2-1)

ICE HOCKEY

NHL Playoffs

CONFERENCE SEMIFINALS
(BEST-OF-SEVEN)
THURSDAY'S RESULTS

New Jersey	0	0	0	0
N.Y. Rangers	1	1	1	3

First Period: New York, Graves 1 (Karpovtsev, Leetch) (pp). Second Period: New York, Gretzky 6 (Courtnall, Rabbatille) Third Period: New York, Tikkanen 6 (Messier, Leetch) (en). Shots on goal: N.J.-13-16-6—35. New York 5-16-7—28. Goalies: N.J.-Brodeur. New York, Richter.
(New York leads series 3-1)

Detroit	1	0	1	0	1—3
Anaheim	1	1	0	0	0—2

First Period: A-Socco 2 (Baumgartner, Pati) 2. D-Brown 3 (Fedorov) Second Period: A-Bellows 2 (Kariya, Mironov) (pp). Third Period: D-Lidstrom 1 (McCarty, Draper) First Overtime: None. Second Overtime: 5. D-Shanahan 4 (Lapointe, Yzerman) Shots on goal: D- 15-12-18-12-16—73. A- 8-12-4-8-5—37. Goalies: D-Vernon. A-Shtalenkov.
(Detroit won series 4-0)

World Championship

MEDAL GROUP, IN HELSINKI, FINLAND

Canada 2, Russia 1

STANDINGS: Sweden 8 points; Canada 6; Russia 5; Czech Republic 4; United States 3; Finland 2.

Canada play Sweden in the best-of-three world championship final starting on Sunday.

RELEGATION ROUND, IN TAMPERE

Slovakia 4, Italy 3
Latvia 6, France 2
Germany 4, Norway 2

RUGBY UNION

Super 12

ACT 48, Waikato 34
Otago 16, New South Wales 27

STANDINGS: Auckland 40 points; ACT 36; Wellington 31; Natal 27; Gauteng 22; New South Wales 20; Northern Transvaal 20; Waikato 19; Free State 19; Canterbury 17; Queensland 15; Otago 13.

SOCCER

WORLD CUP QUALIFIER
ASIAN ZONE, GROUP 7

Kuwait 2, Lebanon 0
STANDINGS: Kuwait 6 points; Lebanon 1; Singapore 1.

ASIAN ZONE, GROUP 8

Yemen 0, Uzbekistan 1

ITALIAN CUP FINAL

Napoli 1, Vicenza 0

ENGLISH PREMIER LEAGUE

Blackburn 0, Middlesbrough 0
Manchester United 0, Newcastle 0
STANDINGS: Manchester United 72 points; Liverpool 67; Newcastle 65; Arsenal 65; Aston Villa 58; Chelsea 56; Sheffield Wednesday 56; Wimbledon 53; Tottenham 46; Derby 46; Leeds 45; Leicester 44; Blackburn 42; West Ham 42; Everton 42; Southampton 41; Sunderland 40; Middlesbrough 38; Coventry 38; Nottingham Forest 34.

LIBERTADORES CUP
SECOND ROUND, RETURN LEG

Velez Sarsfield, Arg., 0, Sport. Cristal, Peru 1.
Sporting Cristal won 1-0 on aggregate.

TENNIS

ITALIAN OPEN
FRIDAY, IN ROME
QUARTERFINALS

Conchita Martinez (3), Spain, def. Jeannette Kruger, South Africa, 6-0, 6-4.
Barbara Paulus (11), Austria, def. Irina Spirlea (7), Romania, 6-4, 6-2.
Mary Pierce (10), France, def. Ruxandra Dragomi (14), Romania, 6-3, 6-4.

GERMAN OPEN
FRIDAY, IN HAMBURG
QUARTERFINALS

Felix Mantilla (10), Spain, def. Hicham Arazi, Morocco, 4-6, 7-6 (7-5), 6-4.
Tommy Haas, Germany, def. Alberto Berasategui (11), Spain, 2-6, 6-2, 6-3.
Yevgeny Kafelnikov (2), Russia, def. Albert Costa (7), Spain, 6-3, 6-0.
Andrei Medvedev, Ukraine, def. Sergi Bruguera (12), Spain, 6-4, 7-6 (7-3).

TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE

BOSTON—Signed RHP Rusty Meacham and assigned him to Pawtucket, IL.

CLEVELAND—Claimed LHP Jason Jacome off waivers from Kansas City.

DETROIT—Purchased the contract of 1B Bob Hamelin from Toledo, IL.

MINNESOTA—Assigned INF Scott Stahoviak to Salt Lake, PCL, on a rehabilitation assignment.

NATIONAL LEAGUE

COLORADO—Optioned RHP Mark Thompson to Colorado Springs, PCL and put him on 15-day disabled list. Recalled RHP John Thomson from Colorado Springs.

FLORIDA—Put INF Luis Castillo on 15-day disabled list. Recalled INF Ralph Millard from Charlotte, IL.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

NBA—Fined the Chicago Bulls $25,000 for failing to make its players available to media following practice on May 7.

BOSTON—Announced the resignation of Red Auerbach, president, who will remain with team as vice chairman.

INDIANA—Named Larry Bird coach.

PORTLAND—Fired P.J. Carlesimo, coach.

SACRAMENTO—Promoted Eddie Jordan from interim coach to head coach and signed him to 2-year contract.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

NFL PLAYERS ASSOCIATION—Suspended attorney Joel Segal from representing NFL players for a year and fined him $5,000, for providing money under an assumed name to Florida State player in 1993 and failing to register as a certified agent in Florida.

HOCKEY
NATIONAL HOCKEY LEAGUE

COLORADO—Recalled D Eric Messier on loan from Hershey, AHL.

COLLEGE

NCAA—Vacated the 1996 Final Four finish of Massachusetts and ordered the return of $151,000 in tournament money because of agent gifts accepted by Marcus Camby. Ordered Connecticut to return $90,970 of its 1996 NCAA tournament money because Kirk King and Ricky Moore accepted plane tickets from agent.

THE WEEK AHEAD

SATURDAY, MAY 10:

ATHLETICS, Osaka, Japan — men, women, IAAF, Osaka Grand Prix, class I.

EQUESTRIAN, Badminton, England — Badminton Horse Trials, to May 11.

GOLF, Men, Thame, England — PGA European Tour, Benson and Hedges International Open, to May 11; Duluth, Georgia — U.S. PGA Tour, BellSouth Classic, to May 11; Charlotte, North Carolina — U.S. Senior PGA Tour, World Series Invitational, to May 11. Women, Tokyo — Japan LPGA, Ganze Cup World Ladies, to May 11; Old Hickory, Tennessee — U.S. LPGA, Sara Lee Classic, to May 11.

ICE HOCKEY, Helsinki and Tampere, Finland — World Championships, to May 14.

JUDO, Ostend, Belgium — European championship, to May 11.

RUGBY UNION, Various sites — Pacific Rim Championship, Canada vs. United States, Hong Kong vs. Japan. Various sites — Super 12, Queensland vs. Gauteng; Free State vs. Canterbury; Auckland vs. Wellington.

SOCCER, Sanaa, Yemen — World Cup qualifying, Yemen vs. Uzbekistan.

TENNIS, Rome — women, WTA Tour, Italian Open, to May 11. Men, ATP Tour, Hamburg, Germany — German Open, to May 11; Coral Springs, Florida — America's Red Clay Tennis Championship, to May 11.

WRESTLING, Varsovie, Poland — Women's European Championships, to May 10.

SUNDAY, MAY 11:

AUTO RACING, Monte Carlo, Monaco — Formula One, Grand Prix of Monaco; Rio de Janeiro, Brazil — CART, Indy-car, Rio 400.

RUGBY UNION, Durban, South Africa — Super 12, Natal vs. Northern Transvaal.

SOCCER, Various sites — World Cup qualifying: Tajikistan vs. China; Turkmenistan vs. Vietnam; Kazakstan vs. Pakistan; Costa Rica vs. Jamaica.

SUMO, Tokyo — Summer Grand Sumo Tournament, to May 25.

MONDAY, APRIL MAY 12

TENNIS, men: Rome — ATP Tour, Italian Open, to May 18. Women: Berlin — WTA Tour, German Open, to May 18; Cardiff, Wales — WTA Tour, Cardiff Championships, to May 18.

WEIGHTLIFTING, Rijeka, Croatia — men, European Weightlifting Championships, to May 19.

TUESDAY, MAY 13

AUTO RACING, Imola, Italy — resumption of Ayrton Senna manslaughter trial, to May 14.

WEDNESDAY, MAY 14

SOCCER, Rotterdam, Netherlands — European Cup Winners' Cup Final, Paris-St. Germain, France, vs. Barcelona, Spain; Copa Libertadores: second round, return leg: Colo Colo, Chile, vs. Nacional, Uruguay. Oriente, Bolivia vs. Universidad de Catolica, Chile. Cruzeiro, Brazil vs. El Nacional, Ecuador.

THURSDAY, MAY 15

GOLF, Men, Hertfordshire, England — PGA European Tour, English Open, to May 18; Irving, Texas — U.S. PGA Tour, Byron Nelson Classic, to May 18; Namegata, Japan — Japan PGA, Japan PGA Championship, to May 18. Women, Wilmington, Delaware — U.S. LPGA, LPGA Championship, to May 18.

FRIDAY, MAY 16

SOCCER, Sanaa, Yemen — World Cup qualifying, Yemen vs. Cambodia.

GOLF, Men, Clifton, New Jersey — U.S. Senior PGA Tour, Cadillac NFL Classic, to May 18. Women, Munakata, Japan — Japan LPGA, Yakult Ladies, to May 18.

RUGBY UNION, Various sites — Super 12; Northern Transvaal vs. Free State; Waikato vs. Otago.

SATURDAY, MAY 17

SOCCER, Wembley, England — English FA Cup final, Chelsea vs. Middlesbrough.

ATHLETICS, Copenhagen, Denmark — Copenhagen Marathon.

CYCLING, Rome — Giro d'Italia, Tour of Italy, to June 8.

HANDBALL, Kumamoto, Japan — men, IHF, World Championship, to June 1.

HORSE RACING, Baltimore — Preakness Stakes.

RUGBY UNION, Various sites — Pacific Rim Championship, Japan vs. Canada; Hong Kong vs. United States. Various sites — Super 12, New South Wales vs. Auckland; Gauteng vs. Natal; Canterbury vs. Queensland.

SUNDAY, MAY 18

ATHLETICS, Charlotte, North Carolina — men, women, Grand Prix, USA Track and Field Grand Prix, class I.

BASKETBALL, Secaucus, New Jersey — NBA draft lottery.

MOTORCYCLE RACING, Mugello, Italy — Italian Grand Prix.

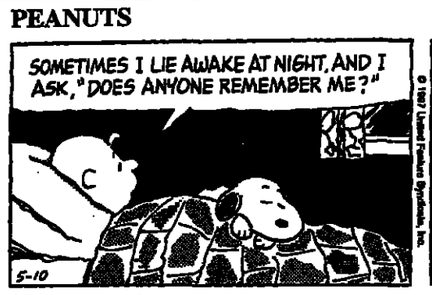
SOCCER, Various sites — World Cup qualifying: Estonia vs. Latvia; Jamaica vs. El Salvador.

RUGBY UNION, Wellington, New Zealand — Super 12, Wellington vs. ACT.

DENNIS THE MENACE

"I GUESS THIS MEANS I WON'T BE EATING SPAGHETTI FOR DINNER!"

PEANUTS

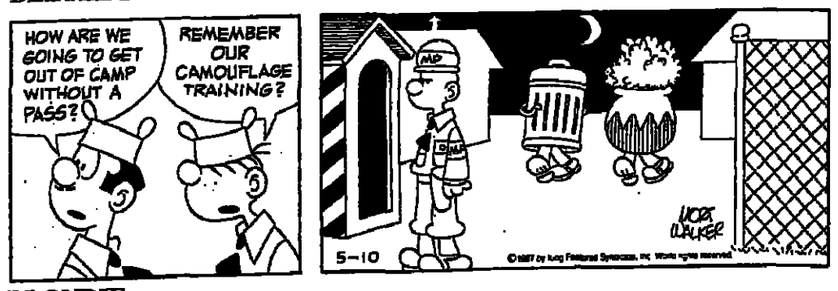


CALVIN AND HOBBES

GARFIELD

WIZARD of ID

BEETLE BAILEY



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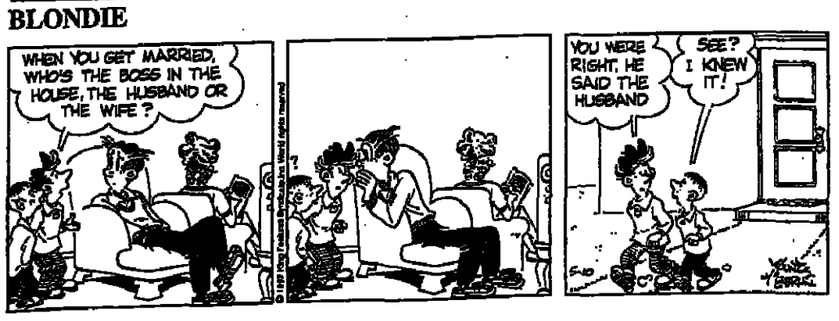

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BITOR
UGLIE
GLACEY
GURDED

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A "○○○○○" ○○○○

(Answers Monday)

Yesterday's Jumbles: HUMAN CROAK FEMALE SECEDE
Answer: A moody artist can do this — MAKE A SCENE

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or representative.

DAVE BARRY

Priorities for the Class of '97

MIAMI — Members of the Class of 1997, as I stand before you to deliver your commencement address, I am reminded of a humorous story.

Unfortunately, I can't tell it, because it's dirty. It's the one about the two guys who are golfing, and one gets bitten by a snake. Ha ha! That's a good one!

But seriously, you are about to leave this high school or university and enter into a new era — an era that, if current trends continue, will be: the future.

Speaking of the future, I am reminded of a quotation by Steve Miller, who wrote: "Some people call me Maurice, because I speak of the pompatus of love."

No, sorry, wrong Steve Miller quotation. I meant this one: "Time keeps on slippin', slippin', slippin', into the future." How true, true, true, young people! But by the same token, you must not forget another very important part of your lives: the past. As students, you have spent the past in school, memorizing facts such as who was the ninth president of the United States, and what percentage of the atmosphere is nitrogen. Many times you have said to yourself: "What good will these facts do me in the real world?"

Young people, you'll find that the things you learned in school will be vitally important to your success, provided that you are a contestant on "Jeopardy." Otherwise they're useless. In the real world, there are few occasions when your boss rushes up to you and says: "Tell me what percentage of the atmosphere is nitrogen RIGHT NOW or we'll lose the Winkersnood contract!"

In the real world, it's much more helpful to know things like what the area code for Fort Lauderdale is. The answer, I am outraged to report, is "954."

What kind of area code is that?

You are too young to remember this, but there was a time when there were only about five area codes in the entire world, and they all had either a "1" or a "0" in the middle, the way the Good Lord intended area codes to be, as in "212," an area code that came over on the Mayflower. But today, ANY random three-digit number can be an area code, and the phone companies are adding mutant new ones at the rate of hundreds per day.

Do you want to know why the phone companies are so eager to get your long-distance business?

Because pretty soon EVERY CALL YOU MAKE WILL BE TO A DIFFERENT AREA CODE, INCLUDING CALLS TO OTHER ROOMS IN YOUR OWN HOUSE, that's why.

My generation is currently occupied full-time with skin moisturizers.

Who is going to fight this injustice? Not my generation. My generation is currently occupied full-time with applying skin moisturizers. No, it is up to you, the Class of 1997, to take on the telephone companies, and also the companies that make the food packages that have the little dotted-line semicircles that say "PRESS TO OPEN."

Let me ask you, the Class of 1997, a question: Have you EVER been able to open a package by pressing that little semicircle? I didn't think so. Those semicircles are reinforced at the factory with titanium; they can easily deflect bullets. NASA pastes those semicircles on the nose of the Space Shuttle to protect it during re-entry.

Let me ask you another question: Have you ever tried to wrap leftover food in clear plastic wrap? Have you ever tried to tear off a piece of that wrap using the so-called "cutting edge"? If so, did you get a nice, square piece, like the one the cheerful homemaker always gets in the commercial? Don't make me laugh until saliva dribbles onto my commencement robe.

THE "CUTTING EDGE" CUTS NOTHING, YOUNG PEOPLE!

Fact: For every leftover food item that American consumers are able to successfully wrap, they waste more than 37 SQUARE MILES of plastic — enough to cover all of Manhattan Island, or the late Orson Welles.

And what is the Scientific Community doing about these problems, young people? THEY'RE CLONING SHEEP. Great! Just what we need! Sheep that look MORE ALIKE than they already do!

Oh, I could go on, members of the Class of 1997, but I see that the man with the tranquilizer-dart gun is here. So let me just close here with some inspirational words from the ninth president of the United States, Steve Miller, who said, and I quote: "Jungle love, it's drivin' me mad, it's makin' me crazy."

I blame all this nitrogen.

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Memphis to Open Museum On Slave-Escape Route

Agence France-Presse

MEMPHIS, Tennessee — A museum opens in this predominantly black southern metropolis next month to spotlight the city's slave past and honor a German immigrant who helped runaway slaves escape to freedom.

The antebellum house of Jacob Burkle, a German immigrant who owned the Memphis Stockyards until his death in 1874, is being restored. He used his home as a station on the "Underground Railroad" for escaping slaves.

Where Invention Is the Mother of Necessity

International Herald Tribune

PARIS — One of the rites of spring here is the small corner at the huge Foire de Paris where inventors display their brainchildren at the Concours Lepine in the hope of finding buyers, backers or just someone to talk to.

Each year, under the aegis of the Association des Inventeurs et Fabricants Francais, there are new and better coat hangers, burglar alarms, vegetable choppers and mashers, stain removers (although, alas, no longer the reversible necktie in case the remover doesn't work). There is always an improved oyster opener and, this year, a

Ronald Searle

MARY BLUME

tented bed whose draperies cunningly conceal a 750-kilogram (1,650-pound) metal armature, available in twin, queen and king sizes, to protect the sleeper during an earthquake.

This year's competition, just over, attracted 160 inventors, including a contingent from China that showed not only a traditional Concours Lepine entry, magnetic socks to combat foot odor, but a device to protect against mobile telephone fraud, flameproof cables, electronic window cleaners, denim sneakers, a fake coin detector and Madame Wang Tong's dermatological application of acupuncture which has cured more than 30,000 acne sufferers (names of satisfied customers available if you want to telephone China).

Named after Louis Lepine, the Paris police prefect who founded it in 1902, the concours attracts eccentrics, hustlers and dreamers to whom invention is the mother of necessity.

Wishing to emphasize the positive, the organizers annually point out that it was at the Concours Lepine that the world first saw the ballpoint pen (1919), the pressure cooker (1926), the dirigible (1908), the steam iron (1921), the crepe-sole shoe (1927) and contact lenses (1948). The list notes that in not all cases did the inventor gain the fortune and fame that was his due.

One who did was the late Jean Mantelet who in 1932 won a prize for the vegetable masher which he commercialized under the soon-to-be world famous name of Moulinex. "There are always people with luminous ideas. They are not in the majority," Mantelet told Inventions magazine in 1967.

This year's exhibitors were perhaps less illuminated than the inventors of a substance to replace rain, the method of playing Ping-Pong by oneself, or the benefactor of humanity who gave his secret for preventing car thefts to anyone who would stop to listen: Just take the accelerator with you when you leave your car.

Practical devices this year included tires easily fitted on wheelchairs so they can be used on the beach and a way of converting motorbikes into mobile first-aid units. But there were still a few exhibitors combining the White Knight's practicality with the persistence of the Ancient Mariner. There was the lady hawking water-filled inner soles whose sales spiel — "hammer toes . . . varicose veins . . . back pain but not slipped disks" — continued long after the listener had disappeared into the crowd, and then there was the burly figure of Charles Anastassiades, a Greek-born tailor.

Anastassiades has invented a way of attaching buttons to shirts without sewing them on. He has already won a prize for this, so why did he come back this year?

"Because I have improved it." Anastassiades went on to explain his philosophy of life, which happens often enough at the Concours Lepine, and then demanded, "Madame, you who are a journalist, perhaps you can tell me this: Why do people claim that Macedonia is not Greek?"

In a quieter corner was the young inventor of a large black-and-white beach ball which splits to reveal a spill-proof bar complete with bottles and glasses. Perfected in 1990, it has, sadly, yet to attract a backer. In another booth Michel Perucca and Rafi Abrilian were showing their first inventions, a heel protector for automobilists' shoes and a cane equipped with a tripod in which it can rest when not needed.

Gaetan Guibert, who has a neatly parted beard and a sweet smile, won a medal at the Concours Lepine in 1979 and has shown at other fairs. "The ideas just come," he says. A former stonecutter and beach photographer, he invented a device to glue wallpaper to the ceiling and this year is showing a sort of motorized brush-equipped pole to remove asbestos from buildings.

With asbestos detection and removal now mandatory in France, Guibert thinks he is on the cusp of success even if he hasn't had a chance to try out his prototype on an asbestos-laced site. "I know it will work," he says. He has made contacts but found no buyers.

This year, the Association des Inventeurs put the Concours Lepine on the Internet and gave it an e-mail address, which should encourage a lot of the participants, although not Gaetan Guibert. He doesn't have a computer.

"Oh no," he said. "I don't understand those things at all."

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PEOPLE

THREE decades after they burst onto the British rock scene, The Who will take the stage Tuesday and Wednesday in Paris, with the son of the Beatles' drummer, **Ringo Starr**, sitting in for the late **Keith Moon**. **Zak Starkey** will be the drummer when guitarist and songwriter **Pete Townshend**, 51, bassist **John Entwistle**, 53, and singer **Roger Daltrey**, 53, perform the band's 1979 ode to the Mods, "Quadrophenia."

□

Princess Nori, the daughter of Emperor *Akihito* of Japan, is making an official visit to France at the invitation of **President Jacques Chirac**. The 28-year-old princess is to arrive in France on Sunday after a stopover in the Netherlands, where she is to meet **Queen Beatrix**. The princess will attend the opening ceremony of a Japanese culture center in Paris on Tuesday.

□

Mike Tyson's three-story mansion in central Connecticut for which he paid $2.7 million for last year, is for sale — for $22 million. If you think the asking price is high, consider that he spent millions to renovate it. It has 61 rooms, 38 baths, seven kitchens, a garage for eight cars, five whirlpool baths, 17 spare bedrooms, a 320-square-meter (3,500-square-foot) disco, a marble dance floor, a lagoon, a 20-foot waterfall, an arcade, a 1,500-square-foot mirrored exercise room. The house sits on 17 acres with a man-made brook running through it.

□

Princess Diana has repaid a man who came to her aid by grabbing a photographer and forcing him to hand over his film. The Sun said that the unemployed **Kevin Duggan**, 28, called Diana's office with his last 10 pence (15 cents) to ask the princess for help to return to Northern Ireland, and she responded with the £82 ($120) ticket because "one good turn deserves another." Last month Duggan pinned a photographer against the wall when he saw the princess arguing with the man after he took pictures of her as she left her London health club.

□

One of Britain's foremost china makers is bowing to public demand, announcing that it would make commemorative mugs to mark the golden wedding anniversary of **Queen Elizabeth** and **Prince Philip**. Waterford Wedgwood China, which has made royal memorabilia for 238 years, originally had decided to break with tradition and not mark the queen's 50th wedding anniversary in November with special china editions. But Wedgwood backed down after being bombarded with calls from staunch royalists as far away as Australia.

□

The Robert F. Kennedy Journalism Award grand prize went to the two teenagers who reported for National Public Radio the story of a 5-year-old boy who was killed for refusing to steal candy. **LeAlan Jones**, 18, and **Lloyd Newman**, 17, live in the Chicago housing project where the boy was thrown out of a 14-floor window by two boys. For their piece, "Remorse: The 14 Stories of Eric Morse," they interviewed neighbors, friends and relatives of the victim and the suspects, and examined the unfulfilled promises politicians made after the murder. The foundation's book prize went to **David M. Oshinsky**, a professor at Rutgers University, for "Worse Than Slavery: Parchman Farm and the Ordeal of Jim Crow Justice."

□

A frail **Katharine Hepburn** says she does not want any fuss made over her 90th birthday Monday, but her admirers have other ideas. On that day, the actress will be honored when the city of New York dedicates a garden near the United Nations building to her. In addition, **Senator Joe Lieberman**, Democrat of Connecticut, is urging **President Bill Clinton** to award Hepburn the Presidential Medal of Freedom. Hepburn's birthday will also see the publication of a new biography on Hepburn's 26-year affair with actor **Spencer Tracy**.

□

The CBS news correspondent **Mike Wallace** planned to celebrate his 79th birthday Friday by doing what he usually does. "I will spend the day on Long Island on a fascinating story," Wallace said. In an interview with The Associated Press, Wallace recalled being offered a job as former **President Richard Nixon**'s press secretary at about the same time he was offered a spot on a new CBS show called "60 Minutes." "I made the right choice," said Wallace, who has worked for the show for 29 years.

□

Bruce Willis has abandoned plans to build a $50 million entertainment and retail complex in Penns Grove, New Jersey, his hometown. Willis's company, Screwball Inc., said the actor has lost interest in the plan after spending about $1 million buying property.

Cannes Goes Pop With Screening of New Jackson Video

CANNES' 50th showed that it can accommodate pop culture with a midnight screening of the lengthy new Michael Jackson video, "Ghosts." Hundreds of fans, photographers and television crews gathered to see their idol inside and outside the Palais des Festivals, causing a near-riot.

The 40-minute clip is an autobiographical allegory of the mysterious Maestro (Jackson) in his haunted house, a freakish outcast detested and feared by adults and adored by children. In an old chateau with musty Louis XVI characters raised from the dead, the video uses plenty of morphing and of course dancing — and even some moonwalking. (More Cannes news, page 7).

E.T. Stoethauer/Reuters

WOMEN AT ARMS — Residents of Entlebuch, Switzerland, participating in the "Wyberschiesst" shooting contest, which takes place every three years.

See GERMANY, Page 6

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